

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON AT TACOMA

CLARK COUNTY,

Plaintiff,

No. 3:18-cv-05241

v.

COMPLAINT

PURDUE PHARMA, L.P.; PURDUE  
PHARMA, INC.; THE PURDUE FREDERICK  
COMPANY, INC.; ENDO HEALTH  
SOLUTIONS INC.; ENDO  
PHARMACEUTICALS, INC.; JANSSEN  
PHARMACEUTICALS, INC.; JOHNSON &  
JOHNSON; TEVA PHARMACEUTICALS  
INDUSTRIES, LTD.; TEVA  
PHARMACEUTICALS USA, INC.;  
CEPHALON, INC.; ALLERGAN PLC f/k/a  
ACTAVIS PLC; WATSON  
PHARMACEUTICALS, INC n/k/a ACTAVIS,  
INC.; WATSON LABORATORIES, INC.;  
ACTAVIS LLC; ACTAVIS PHARMA, INC.  
f/k/a WATSON PHARMA, INC;  
MALLINCKRODT PLC; MALLINCKRODT,  
LLC; CARDINAL HEALTH, INC.;  
MCKESSON CORPORATION;  
AMERISOURCEBERGEN DRUG  
CORPORATION; and JOHN AND JANE  
DOES 1 THROUGH 100, INCLUSIVE,

JURY DEMAND

Defendants.

COMPLAINT  
(3:18-cv-05241)

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**I. INTRODUCTION**

1  
2 1. The United States is experiencing the worst man-made epidemic in modern  
3 medical history—the misuse, abuse, and over-prescription of opioids.

4 2. Since 2000, more than 300,000 Americans have lost their lives to an opioid  
5 overdose, more than five times as many American lives as were lost in the entire Vietnam War.  
6 On any given day, 145 people will die from opioid overdoses in the United States. Drug  
7 overdoses are now the leading cause of death for Americans under age fifty.

8 3. The opioid crisis has become a public health emergency of unprecedented levels.  
9 Plaintiff Clark County, the fifth largest county in Washington State with approximately 471,000  
10 residents, has been deeply affected by the crisis. Opioids have reshaped daily reality for Clark  
11 County in numerous ways, including increased and intensified emergency medical responses to  
12 overdoses; increased drug-related offenses affecting law enforcement, jails, and courts;  
13 additional resources spent on community and social programs; higher workers' compensation  
14 costs for prescription opioids and opioid-related claims; and prevalent opioid abuse throughout  
15 the County including in streets, buses, and parks.

16 4. Clark County has been working to confront the epidemic caused by Defendants'  
17 reckless promotion and distribution of prescription opioids. The County spends substantial  
18 amounts of its budget and allocates significant resources on prevention and treatment programs,  
19 as well as criminal justice services such as its Drug Task Force and a variety of therapeutic  
20 specialty courts, including Drug Court, Juvenile Recovery Court, and Family Treatment Court.

21 5. But while Clark County has committed considerable resources to address the  
22 opioid crisis, fully addressing the crisis also requires that those responsible for it pay for their  
23 conduct and to abate the nuisance and harms they have created in Clark County. The opioid  
24  
25  
26

1 epidemic is no accident. On the contrary, it is the foreseeable consequence of Defendants’  
2 reckless promotion and distribution of potent opioids for chronic pain while deliberately  
3 downplaying the significant risks of addiction and overdose.

4           6. Defendant Purdue set the stage for the opioid epidemic, through the production  
5 and promotion of its blockbuster drug, OxyContin. Purdue introduced a drug with a narcotic  
6 payload many times higher than that of previous prescription painkillers, while executing a  
7 sophisticated, multi-pronged marketing campaign to change prescribers’ perception of the risk of  
8 opioid addiction and to portray opioids as effective treatment for chronic pain. Purdue pushed its  
9 message of opioids as a low-risk panacea on doctors and the public through every available  
10 avenue, including through lobbying efforts, direct marketing, front groups, key opinion leaders,  
11 unbranded advertising, and hundreds of sales representatives who visited doctors and clinics on a  
12 regular basis.  
13

14           7. As sales of OxyContin and Purdue’s profits surged, Defendants Endo, Janssen,  
15 Cephalon, Actavis, and Mallinckrodt—as explained in further detail below—added additional  
16 prescription opioids, aggressive sales tactics, and dubious marketing claims of their own to the  
17 deepening crisis. They paid hundreds of millions of dollars to market and promote the drugs,  
18 notwithstanding their dangers, and pushed bought-and-paid-for “science” supporting the safety  
19 and efficacy of opioids that lacked any basis in fact or reality. Obscured from the marketing was  
20 the fact that prescription opioids are not much different than heroin—indeed on a molecular  
21 level, they are virtually indistinguishable.  
22

23           8. The opioid epidemic simply could not have become the crisis it is today without  
24 an enormous supply of pills. Defendants McKesson, Cardinal Health, and AmerisourceBergen  
25 raked in huge profits from the distribution of opioids around the United States. These companies  
26

1 knew precisely the quantities of potent narcotics they were delivering to communities across the  
 2 country, including Clark County. Yet not only did they intentionally disregard their monitoring  
 3 and reporting obligations under federal law, they also actively sought legislation that would  
 4 make it easier for them to move massive shipments of opioids without oversight or enforcement  
 5 actions.

6  
 7 9. Defendants' efforts were remarkably successful: since the mid-1990s, opioids  
 8 have become the most prescribed class of drugs in America. Between 1991 and 2011, opioid  
 9 prescriptions in the U.S. tripled from 76 million to 219 million per year.<sup>1</sup> In 2016, health care  
 10 providers wrote more than 289 million prescriptions for opioid pain medication, enough for  
 11 every adult in the United States to have more than one bottle of pills.<sup>2</sup> In terms of annual sales,  
 12 the increase has been ten-fold; before the FDA approved OxyContin in 1995, annual opioid sales  
 13 hovered around \$1 billion. By 2015, they increased to almost \$10 billion. By 2020, revenues are  
 14 projected to grow to \$18 billion.<sup>3</sup>

15  
 16 10. But Defendants' profits have come at a steep price. Opioids are now the leading  
 17 cause of accidental death in the U.S., surpassing deaths caused by car accidents. Opioid overdose  
 18 deaths (which include prescription opioids as well as heroin) have risen steadily every year, from  
 19 approximately 4,030 in 1999, to 15,597 in 2009, to over 33,000 in 2015. In 2016, that toll  
 20  
 21  
 22

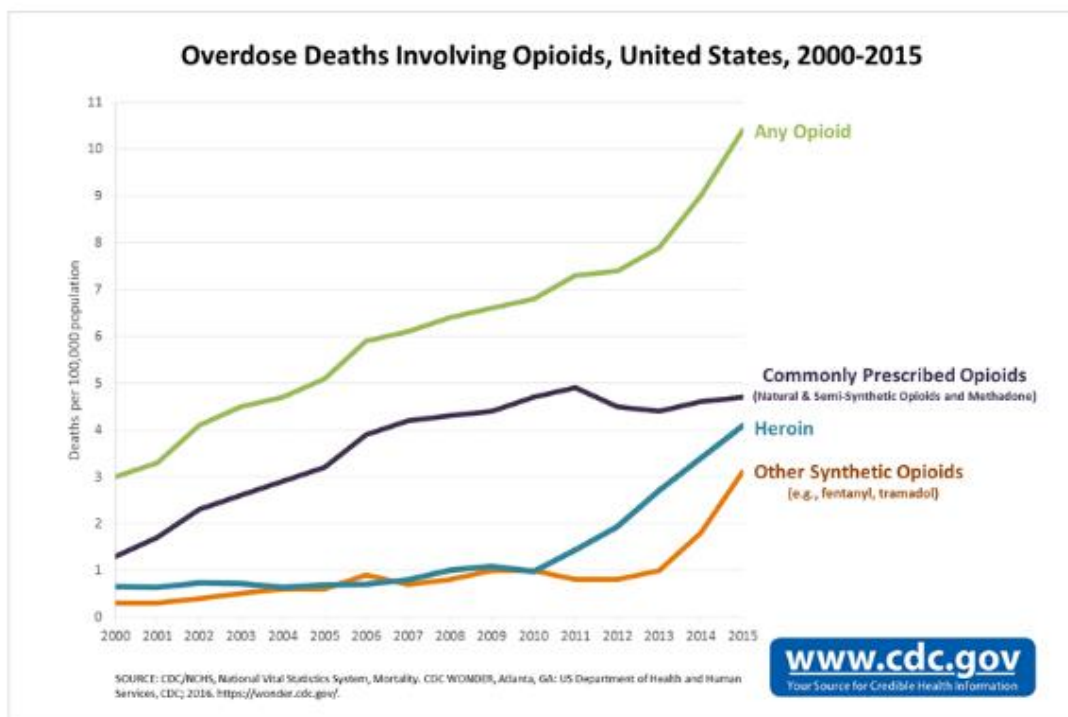
23  
 24 <sup>1</sup> Nora D. Volkow, MD, *America's Addiction to Opioids: Heroin and Prescription Drug Abuse*, Appearing before  
 25 the Senate Caucus on International Narcotics Control, NIH Nat'l Inst. on Drug Abuse (May 14, 2014),  
[https://www.drugabuse.gov/about-nida/legislative-activities/testimony-to-congress/2016/americas-addiction-to-](https://www.drugabuse.gov/about-nida/legislative-activities/testimony-to-congress/2016/americas-addiction-to-opioids-heroin-prescription-drug-abuse)  
[opioids-heroin-prescription-drug-abuse](https://www.drugabuse.gov/about-nida/legislative-activities/testimony-to-congress/2016/americas-addiction-to-opioids-heroin-prescription-drug-abuse).

26 <sup>2</sup> *Prevalence of Opioid Misuse*, BupPractice, <https://www.buppractice.com/node/15576> (last updated Mar. 16, 2018).

<sup>3</sup> *Report: Opioid pain sales to hit \$18.4B in the U.S. by 2020*, CenterWatch (July 17, 2017),  
<https://www.centerwatch.com/news-online/2017/07/17/report-opioid-pain-sales-hit-18-4b-u-s-2020/#more-31534>.



1 climbed to 53,000.<sup>4</sup> As shown in the graph below, the recent surge in opioid-related deaths  
 2 involves prescription opioids, heroin, and other synthetic opioids. Nearly half of all opioid  
 3 overdose deaths involve a prescription opioid like those manufactured by Defendants,<sup>5</sup> and the  
 4 increase in overdoses from non-prescription opioids is directly attributable to Defendants'  
 5 success in expanding the market for opioids of any kind.



11. To put these numbers in perspective: in 1970, when a heroin epidemic swept the  
 U.S., there were fewer than 3,000 heroin overdose deaths. And in 1988, around the height of the  
 crack epidemic, there were fewer than 5,000 crack overdose deaths recorded. In 2005, at its peak,  
 methamphetamine was involved in approximately 4,500 deaths.

<sup>4</sup> *Overdose Death Rates*, NIH Nat'l Inst. on Drug Abuse, <https://www.drugabuse.gov/related-topics/trends-statistics/overdose-death-rates> (revised Sept. 2017).

<sup>5</sup> *Understanding the Epidemic*, Ctrs. for Disease Control and Prevention, <https://www.cdc.gov/drugoverdose/epidemic/index.html> (last updated Aug. 30, 2017).

1           12. Just as it has nationally, the opioid epidemic in Clark County has exacted a grim  
2 toll. From 2012 to 2016, at least 199 residents of Clark County have died from opioid-related  
3 overdoses.<sup>6</sup> This rate of approximately 8.8 deaths per 100,000 residents marks a greater than  
4 57.9% increase from the rate the County experienced in the early 2000s.<sup>7</sup>

5           13. Beyond the human cost, the CDC recently estimated that the total economic  
6 burden of prescription opioid abuse costs the United States \$78.5 billion per year, which includes  
7 increased costs for health care and addiction treatment, increased strains on human services and  
8 criminal justice systems, and substantial losses in workforce productivity.<sup>8</sup>

9           14. But even these estimates are conservative. The Council of Economic Advisers—  
10 the primary advisor to the Executive Office of the President—recently issued a report estimating  
11 that “in 2015, the economic cost of the opioid crisis was \$504.0 billion, or 2.8% of GDP that  
12 year. This is over six times larger than the most recently estimated economic cost of the  
13 epidemic.”<sup>9</sup> Whatever the final tally, there is no doubt that this crisis has had a profound  
14 economic impact.

15           15. Defendants orchestrated this crisis. Despite knowing about the true hazards of  
16 their products, Defendants misleadingly advertised their opioids as safe and effective for treating  
17 chronic pain and pushed hundreds of millions of pills into the marketplace for consumption.

18 Through their sophisticated and well-orchestrated campaign, Defendants touted the purported  
19  
20  
21

22  
23 <sup>6</sup> *Opioid-related Deaths in Washington State, 2006-2016*, Wash. State Dep’t of Health (May 2017),  
<https://www.doh.wa.gov/Portals/1/Documents/Pubs/346-083-SummaryOpioidOverdoseData.pdf>.

24 <sup>7</sup> *Clark County Opiate-Related Deaths (Prescription and/or Heroin) 2002-2004 vs. 2011-2013*, U. of Wash. Alcohol  
& Drug Abuse Institute (April 2015) [http://adai.uw.edu/wastate/opiates/Clark\\_opiates\\_2013.pdf](http://adai.uw.edu/wastate/opiates/Clark_opiates_2013.pdf).

25 <sup>8</sup> *CDC Foundation’s New Business Pulse Focuses on Opioid Overdose Epidemic*, Ctrs. for Disease Control and  
Prevention (Mar. 15, 2017), <https://www.cdc.gov/media/releases/2017/a0315-business-pulse-opioids.html>.

26 <sup>9</sup> *The Underestimated Cost of the Opioid Crisis*, The Council of Econ. Advisers (Nov. 2017),  
<https://static.politico.com/1d/33/4822776641cfbac67f9bc7dbd9c8/the-underestimated-cost-of-the-opioid-crisis-embargoed.pdf>.

1 benefits of opioids to treat pain and downplayed the risks of addiction. Moreover, even as the  
2 deadly toll of prescription opioid use became apparent to Defendants in years following  
3 OxyContin's launch, Defendants persisted in aggressively selling and distributing prescription  
4 opioids, while evading their monitoring and reporting obligations, so that massive quantities of  
5 addictive opioids continued to pour into Clark County and other communities around the United  
6 States.

7  
8 16. Defendants consistently, deliberately, and recklessly made and continue to make  
9 false and misleading statements regarding, among other things, the low risk of addiction to  
10 opioids, opioids' efficacy for chronic pain and ability to improve patients' quality of life with  
11 long-term use, the lack of risk associated with higher dosages of opioids, the need to prescribe  
12 more opioids to treat withdrawal symptoms, and that risk-mitigation strategies and abuse-  
13 deterrent technologies allow doctors to safely prescribe opioids.

14  
15 17. Because of Defendants' misconduct, Clark County is experiencing a severe public  
16 health crisis and has suffered significant economic damages, including but not limited to  
17 increased costs related to public health, opioid-related crimes and emergencies, health care,  
18 criminal justice, and public safety. Clark County has incurred substantial costs in responding to  
19 the crisis and will continue to do so in the future.

20  
21 18. Accordingly, Clark County brings this action to hold Defendants liable for their  
22 misrepresentations regarding the benefits and risks of opioids, as well as for their failure to  
23 monitor, detect, investigate, and report suspicious orders of prescription opioids. This conduct (i)  
24 violates the Washington Consumer Protection Act, RCW 19.86 *et seq.*, (ii) constitutes a public  
25 nuisance under Washington law, (iii) constitutes negligence and gross negligence under  
26

Washington law, (iv) has unjustly enriched Defendants, and (v) violates the Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. §1961, *et seq.*

## II. PARTIES

### Clark County

19. Plaintiff Clark County (“Plaintiff” or “Clark County” or “County”) is a Washington County organized and existing under the laws of the State of Washington, RCW 36.01 *et seq.*

### Purdue

20. Defendant Purdue Pharma, L.P. is a limited partnership organized under the laws of Delaware. Defendant Purdue Pharma, Inc. is a New York corporation with its principal place of business in Stamford, Connecticut. Defendant The Purdue Frederick Company is a Delaware corporation with its principal place of business in Stamford, Connecticut. Collectively, these entities are referred to as “Purdue.”

21. Each Purdue entity acted in concert with one another and acted as agents and/or principals of one another in connection with the conduct described herein.

22. Purdue manufactures, promotes, sells, markets, and distributes opioids such as OxyContin, MS Contin, Dilaudid/Dilaudid HP, Butrans, Hysingla ER, and Targiniq ER in the United States, including in Clark County.

23. Purdue generates substantial sales revenue from its opioids. For example, OxyContin is Purdue’s best-selling opioid, and since 2009, Purdue has generated between \$2 and \$3 billion annually in sales of OxyContin alone.

1           **Endo**

2           24. Defendant Endo Pharmaceuticals, Inc. is a wholly owned subsidiary of Defendant  
3 Endo Health Solutions Inc. Both are Delaware corporations with their principal place of business  
4 in Malvern, Pennsylvania. Collectively, these entities are referred to as “Endo.”

5           25. Each Endo entity acted in concert with one another and acted as agents and/or  
6 principals of one another in connection with the conduct described herein.

7           26. Endo manufactures, promotes, sells, markets, and distributes opioids such as  
8 Percocet, Opana, and Opana ER in the United States, including in Clark County.

9           27. Endo generates substantial sales from its opioids. For example, opioids accounted  
10 for more than \$400 million of Endo’s overall revenues of \$3 billion in 2012, and Opana ER  
11 generated more than \$1 billion in revenue for Endo in 2010 and 2013.

12           **Janssen and Johnson & Johnson**

13           28. Defendant Janssen Pharmaceuticals, Inc. is a Pennsylvania corporation with its  
14 principal place of business in Titusville, New Jersey, and is a wholly owned subsidiary of  
15 Defendant Johnson & Johnson, a New Jersey corporation with its principal place of business in  
16 New Brunswick, New Jersey. Collectively, these entities are referred to as “Janssen.”

17           29. Both entities above acted in concert with one another and acted as agents and/or  
18 principals of one another in connection with the conduct described herein.

19           30. Johnson & Johnson is the only company that owns more than 10% of Janssen  
20 Pharmaceuticals, Inc., and corresponds with the FDA regarding the drugs manufactured by  
21 Janssen Pharmaceuticals, Inc. Johnson & Johnson also paid prescribers to speak about opioids  
22 manufactured by Janssen Pharmaceuticals, Inc. In short, Johnson & Johnson controls the sale and  
23 development of the drugs manufactured by Janssen Pharmaceuticals, Inc.  
24  
25  
26

1           31. Janssen manufactures, promotes, sells, markets, and distributes opioids such as  
2 Duragesic, Nucynta, and Nucynta ER in the United States, including in Clark County. Janssen  
3 stopped manufacturing Nucynta and Nucynta ER in 2015.

4           32. Janssen generates substantial sales revenue from its opioids. For example,  
5 Duragesic accounted for more than \$1 billion in sales in 2009, and Nucynta and Nucynta ER  
6 accounted for \$172 million in sales in 2014.

7  
8           **Cephalon and Teva**

9           33. Defendant Cephalon, Inc. (“Cephalon”) is a Delaware corporation with its  
10 principal place of business in Frazer, Pennsylvania. Defendant Teva Pharmaceutical Industries,  
11 Ltd. (“Teva Ltd.”) is an Israeli corporation with its principal place of business in Petah Tikva,  
12 Israel. In 2011, Teva Ltd. acquired Cephalon. Defendant Teva Pharmaceuticals USA, Inc. (“Teva  
13 USA”) is a Delaware corporation which is registered to do business in Ohio and is a wholly  
14 owned subsidiary of Teva Ltd. in Pennsylvania. Teva USA acquired Cephalon in October 2011.

15           34. Cephalon manufactures, promotes, sells, and distributes opioids, including Actiq  
16 and Fentora, in the United States.

17  
18           35. Teva Ltd., Teva USA, and Cephalon work together closely to market and sell  
19 Cephalon products in the United States. Teva Ltd. conducts all sales and marketing activities for  
20 Cephalon in the United States through Teva USA and has done so since its October 2011  
21 acquisition of Cephalon. Teva Ltd. and Teva USA hold out Actiq and Fentora as Teva products  
22 to the public. Teva USA sells all former Cephalon-branded products through its “specialty  
23 medicines” division. The FDA-approved prescribing information and medication guide, which  
24 are distributed with Cephalon opioids, disclose that the guide was submitted by Teva USA, and  
25 directs physicians to contact Teva USA to report adverse events.  
26

36. All of Cephalon's promotional websites, including those for Actiq and Fentora, display Teva Ltd.'s logo.<sup>10</sup> Teva Ltd.'s financial reports list Cephalon's and Teva USA's sales as its own, and its year-end report for 2012—the year following the Cephalon acquisition in October 2011—attributed a 22% increase in its specialty medicine sales to “the inclusion of a full year of Cephalon's specialty sales,” including sales of Fentora.<sup>11</sup> Through interrelated operations like these, Teva Ltd. operates in the United States through its subsidiaries Cephalon and Teva USA. The United States is the largest of Teva Ltd.'s global markets, representing 53% of its global revenue in 2015, and, were it not for the existence of Teva USA and Cephalon, Teva Ltd. would conduct those companies' business in the United States itself.

37. Upon information and belief, Teva Ltd. directs the business practices of Cephalon and Teva USA, and their profits inure to the benefit of Teva Ltd. as controlling shareholder. Collectively, these entities are referred to as “Cephalon.”

#### **Allergan, Actavis, and Watson**

38. Defendant Allergan PLC is a public limited company incorporated in Ireland with its principal place of business in Dublin, Ireland. Actavis PLC acquired Allergan PLC in March 2015, and the combined company changed its name to Allergan PLC in January 2013.

39. Defendant Actavis, Inc. was acquired by Watson Pharmaceuticals, Inc. in October 2012, and the combined company changed its name to Actavis, Inc. as of January 2013 and then Actavis PLC in October 2013.

<sup>10</sup> Actiq, <http://www.actiq.com/> (last visited Mar. 19, 2018).

<sup>11</sup> *Teva Pharm. Indus. Ltd. Form 20-F*, U.S. Sec. and Exchange Commission (Feb. 12, 2013), [http://annualreports.com/HostedData/AnnualReportArchive/t/NASDAQ\\_TEVA\\_2012.pdf](http://annualreports.com/HostedData/AnnualReportArchive/t/NASDAQ_TEVA_2012.pdf).

40. Defendant Watson Laboratories, Inc. is a Nevada corporation with its principal place of business in Corona, California, and is a wholly owned subsidiary of Allergan PLC (f/k/a Actavis, Inc., f/k/a Watson Pharmaceuticals, Inc.).

41. Defendant Actavis Pharma, Inc. is registered to do business with the Ohio Secretary of State as a Delaware corporation with its principal place of business in New Jersey and was formerly known as Watson Pharma, Inc.

42. Defendant Actavis LLC is a Delaware limited liability company with its principal place of business in Parsippany, New Jersey.

43. Each of these defendants and entities is owned by Defendant Allergan PLC, which uses them to market and sell its drugs in the United States. Upon information and belief, Defendant Allergan PLC exercises control over these marketing and sales efforts and profits from the sale of Allergan/Actavis/Watson products ultimately inure to its benefit. Collectively, these defendants and entities are referred to as “Actavis.”

44. Actavis manufactures, promotes, sells, and distributes opioids, including the branded drugs Kadian and Norco and generic versions of Kadian, Duragesic, and Opana in the United States. Actavis acquired the rights to Kadian from King Pharmaceuticals, Inc. on December 30, 2008, and began marketing Kadian in 2009.

#### **Mallinckrodt**

45. Mallinckrodt plc is an Irish public limited company headquartered in Staines-upon-Thames, United Kingdom, with its U.S. headquarters in St. Louis, Missouri. Mallinckrodt, LLC is a limited liability company organized and existing under the laws of the State of Delaware and licensed to do business in Ohio. Mallinckrodt, LLC is a wholly owned subsidiary of Mallinckrodt plc. Mallinckrodt plc and Mallinckrodt, LLC are referred to as “Mallinckrodt.”



1           46.     Mallinckrodt manufactures, markets, and sells drugs in the United States. As of  
2     2012, it was the largest U.S. supplier of opioid pain medications. In particular, it is one of the  
3     largest manufacturers of oxycodone in the U.S. In addition to oxycodone, Mallinckrodt  
4     manufactures, markets, and sells Exalgo, an extended-release hydromorphone tablet.  
5     Mallinckrodt also purchased Roxicodone (oxycodone) from Xanodyne Pharmaceuticals in 2012.

6           47.     In 2017, Mallinckrodt agreed to settle for \$35 million the Department of Justice's  
7     allegations regarding excessive sales of oxycodone in Florida. The Department of Justice alleged  
8     that even though Mallinckrodt knew that its oxycodone was being diverted to illicit use, it  
9     nonetheless continued to incentivize and supply these suspicious sales, and it failed to notify the  
10    DEA of the suspicious orders in violation of its obligations as a registrant under the Controlled  
11    Substances Act, 21 U.S.C. § 801 *et seq.* ("CSA").  
12

13           48.     Defendants Purdue, Endo, Janssen, Cephalon, Actavis, and Mallinckrodt are  
14     collectively referred to as the "Manufacturing Defendants."  
15

16           **AmerisourceBergen**

17           49.     Defendant AmerisourceBergen Drug Corporation ("AmerisourceBergen") is a  
18     Delaware corporation with its principal place of business located in Chesterbrook, Pennsylvania.  
19

20           50.     According to its 2016 Annual Report, AmerisourceBergen is "one of the largest  
21     global pharmaceutical sourcing and distribution services companies" with "over \$145 billion in  
22     annual revenue."

23           51.     AmerisourceBergen is licensed as a "wholesale distributor" to sell prescription  
24     and non-prescription drugs in Washington State, including opioids. It operates a warehouse in  
25     Kent, Washington.  
26

**Cardinal Health**

52. Defendant Cardinal Health, Inc. (“Cardinal Health”) is an Ohio Corporation with its principal place of business in Dublin, Ohio.

53. According to its 2017 Annual Report, Cardinal Health is “a global, integrated healthcare services and products company serving hospitals, healthcare systems, pharmacies, ambulatory surgery centers, clinical laboratories and physician offices worldwide . . . deliver[ing] medical products and pharmaceuticals.” In 2017 alone, Cardinal Health generated revenues of nearly \$130 billion.

54. Cardinal Health is licensed as a “wholesale distributor” to sell prescription and non-prescription drugs in Washington State, including opioids. It operates a warehouse in Fife, Washington.

**McKesson**

55. Defendant McKesson Corporation (“McKesson”) is a Delaware Corporation with its principal place of business in San Francisco, California.

56. McKesson is the largest pharmaceutical distributor in North America, delivering nearly one-third of all pharmaceuticals used in this region.

57. According to its 2017 Annual Report, McKesson “partner[s] with pharmaceutical manufacturers, providers, pharmacies, governments and other organizations in healthcare to help provide the right medicines, medical products and healthcare services to the right patients at the right time, safely and cost-effectively.” Additionally, McKesson’s pharmaceutical distribution business operates and serves thousands of customer locations through a network of twenty-seven distribution centers, as well as a primary redistribution center, two strategic redistribution centers and two repackaging facilities, serving all fifty states and Puerto Rico.

1           58.     For the fiscal year ending March 31, 2017, McKesson generated revenues of  
2     \$198.5 billion.

3           59.     McKesson is licensed as a “wholesale distributor” to sell prescription and non-  
4     prescription drugs in Washington State, including opioids. It operates warehouses in Everett and  
5     Auburn, Washington.

6           60.     Collectively, McKesson, AmerisourceBergen, and Cardinal Health (together  
7     “Distributor Defendants”) account for approximately 85% of all drug shipments in the United  
8     States.

9  
10           **John and Jane Does 1-100, inclusive**

11           61.     In addition to the Defendants identified herein, the true names, roles, and/or  
12     capacities in the wrongdoing alleged herein of Defendants named John and Jane Does 1 through  
13     100, inclusive, are currently unknown to Plaintiff, and thus, are named as Defendants under  
14     fictitious names as permitted by the rules of this Court. Plaintiff will amend this complaint and  
15     identify their true identities and their involvement in the wrongdoing at issue, as well as the  
16     specific causes of action asserted against them when they become known.

17  
18                   **III.     JURISDICTION AND VENUE**

19           62.     This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1332. The  
20     Court also has federal question subject matter jurisdiction arising out of Plaintiff’s RICO claims  
21     pursuant to 28 U.S.C. § 1331 and 18 U.S.C. § 1961, *et seq.*

22           63.     Venue in this Court is proper under 28 U.S.C. § 1391(b).  
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#### IV. FACTUAL ALLEGATIONS

##### A. Making an Old Drug New Again

##### 1. A history and background of opioids in medicine

64. The term “opioid” refers to a class of drugs that bind with opioid receptors in the brain and includes natural, synthetic, and semi-synthetic opioids.<sup>12</sup> Generally used to treat pain, opioids produce multiple effects on the human body, the most significant of which are analgesia, euphoria, and respiratory depression. In addition, opioids cause sedation and constipation.

65. Most of these effects are medically useful in certain situations, but respiratory depression is the primary limiting factor for the use of opioids. While the body can develop a tolerance to the analgesic and euphoric effects, there is no corresponding tolerance to respiratory depression. Increasing the opioid dose will increasingly depress the respiratory system until, at some point, breathing stops. This is why the risk of opioid overdose is so high, and why many of those who overdose simply go to sleep and never wake up.

66. Natural opioids are derived from the opium poppy and have been used since antiquity, going as far back as 3400 B.C. The opium poppy contains various opium alkaloids, three of which are used commercially today: morphine, codeine, and thebaine.

67. A 16th-century European alchemist, Paracelsus, is generally credited with developing a tincture of opium and alcohol called laudanum, but it was a British physician a century later who popularized the use of laudanum in Western medicine. “Sydenham’s laudanum” was a simpler tincture than Paracelsus’s and was widely adopted as a treatment not

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<sup>12</sup> At one time, the term “opiate” was used for natural opioids, while “opioid” referred to synthetic substances manufactured to mimic opiates. Now, however, most medical professionals use “opioid” to refer broadly to natural, semi-synthetic, and synthetic opioids. A fourth class of opioids, endogenous opioids (e.g., endorphins), is produced naturally by the human body.

1 only for pain, but for coughs, dysentery, and numerous other ailments. Laudanum contains  
2 almost all of the opioid alkaloids and is still available by prescription today.

3 68. Chemists first isolated the morphine and codeine alkaloids in the early 1800s, and  
4 the pharmaceutical company Merck began large-scale production and commercial marketing of  
5 morphine in 1827. During the American Civil War, field medics commonly used morphine,  
6 laudanum, and opium pills to treat the wounded, and many veterans were left with morphine  
7 addictions. It was upper and middle class white women, however, who comprised the majority of  
8 opioid addicts in the late 19th-century United States, using opioid preparations widely available  
9 in pain elixirs, cough suppressants, and patent medicines. By 1900, an estimated 300,000 people  
10 were addicted to opioids in the United States,<sup>13</sup> and many doctors prescribed opioids solely to  
11 prevent their patients from suffering withdrawal symptoms.  
12

13 69. Trying to develop a drug that could deliver opioids' potent pain relief without  
14 their addictive properties, chemists continued to isolate and refine opioid alkaloids. Heroin, first  
15 synthesized from morphine in 1874, was marketed commercially by the Bayer Pharmaceutical  
16 Company beginning in 1898 as a safe alternative to morphine. Heroin's market position as a safe  
17 alternative was short-lived, however; Bayer stopped mass-producing heroin in 1913 because of  
18 its dangers. German chemists then looked to the alkaloid thebaine, synthesizing oxymorphone  
19 and oxycodone from thebaine in 1914 and 1916, respectively, with the hope that the different  
20 alkaloid source might provide the benefits of morphine and heroin without the drawbacks.  
21

22 70. But each opioid was just as addictive as the one before it, and eventually the issue  
23 of opioid addiction could not be ignored. The nation's first Opium Commissioner, Hamilton  
24

25  
26 <sup>13</sup> Nick Miroff, *From Teddy Roosevelt to Trump: How drug companies triggered an opioid crisis a century ago*,  
Washington Post (Oct. 17, 2017), [https://www.washingtonpost.com/news/retropolis/wp/2017/09/29/the-greatest-drug-fiends-in-the-world-an-american-opioid-crisis-in-1908/?utm\\_term=.7832633fd7ca](https://www.washingtonpost.com/news/retropolis/wp/2017/09/29/the-greatest-drug-fiends-in-the-world-an-american-opioid-crisis-in-1908/?utm_term=.7832633fd7ca).

1 Wright, remarked in 1911, “The habit has this nation in its grip to an astonishing extent. Our  
2 prisons and our hospitals are full of victims of it, it has robbed ten thousand businessmen of  
3 moral sense and made them beasts who prey upon their fellows . . . it has become one of the  
4 most fertile causes of unhappiness and sin in the United States.”<sup>14</sup>

5 71. Concerns over opioid addiction led to national legislation and international  
6 agreements regulating narcotics: the International Opium Convention, signed at the Hague in  
7 1912, and, in the U.S., the Harrison Narcotics Tax Act of 1914. Opioids were no longer marketed  
8 as cure-alls and instead were relegated to the treatment of acute pain.

10 72. Throughout the twentieth century, pharmaceutical companies continued to  
11 develop prescription opioids, but these opioids were generally produced in combination with  
12 other drugs, with relatively low opioid content. For example, Percodan, produced by Defendant  
13 Endo since 1950, is oxycodone and aspirin, and contains just under 5 mg of oxycodone.  
14 Percocet, manufactured by Endo since 1971, is the combination of oxycodone and  
15 acetaminophen, with dosage strengths delivering between 2.5 mg and 10 mg of oxycodone.  
16 Vicodin, a combination of hydrocodone and acetaminophen, was introduced in the U.S. in 1978  
17 and is sold in strengths of 5 mg, 7.5 mg, and 10 mg of hydrocodone. Defendant Janssen also  
18 manufactured a drug with 5 mg of oxycodone and 500 mg of acetaminophen, called Tylox, from  
19 1984 to 2012.

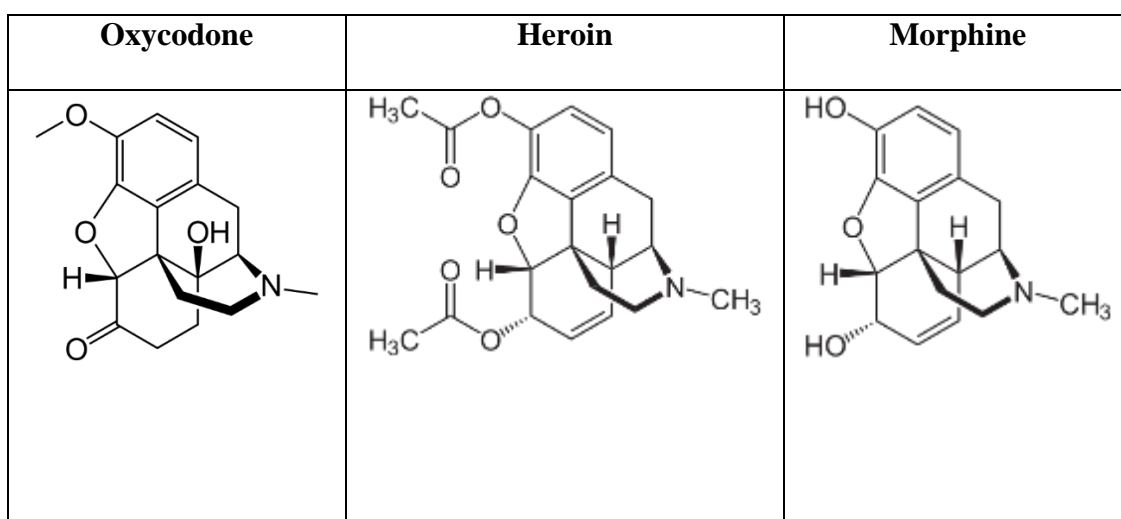
21 73. In contrast, OxyContin, the product with the dubious honor of the starring role in  
22 the opioid epidemic, is pure oxycodone. Purdue initially made it available in the following  
23 dosage strengths: 10 mg, 15 mg, 20 mg, 30 mg, 40 mg, 60 mg, 80 mg, and 160 mg. In other  
24  
25  
26

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<sup>14</sup> *Id.*

words, the weakest OxyContin delivers as much narcotic as the strongest Percocet, and some OxyContin tablets delivered sixteen times as much as that.

74. Prescription opioids are essentially pharmaceutical heroin; they are synthesized from the same plant, have similar molecular structures, and bind to the same receptors in the human brain. It is no wonder then that there is a straight line between prescription opioid abuse and heroin addiction. Indeed, studies show that over 80% of new heroin addicts between 2008 and 2010 started with prescription opioids.<sup>15</sup>



75. Medical professionals describe the strength of various opioids in terms of “morphine milligram equivalents” (“MME”). According to the CDC, dosages at or above 50 MME/day double the risk of overdose compared to 20 MME/day, and one study found that patients who died of opioid overdose were prescribed an average of 98 MME/day.

76. Different opioids provide varying levels of MMEs. For example, just 33 mg of oxycodone provides 50 MME. Thus, at OxyContin’s twice-daily dosing, the 50 MME/day

<sup>15</sup> Jones CM, *Heroin use and heroin use risk behaviors among nonmedical users of prescription opioid pain relievers - United States, 2002-2004 and 2008-2010*, 132(1-2) Drug Alcohol Depend. 95-100 (Sept. 1, 2013), <https://www.ncbi.nlm.nih.gov/pubmed/23410617>.

threshold is reached by a prescription of 15 mg twice daily. One 160 mg tablet of OxyContin, which Purdue took off the market in 2001, delivered 240 MME.

77. As journalist Barry Meier wrote in his 2003 book *Pain Killer: A “Wonder” Drug’s Trail of Addiction and Death*, “In terms of narcotic firepower, OxyContin was a nuclear weapon.”<sup>16</sup>

78. Fentanyl, an even more potent and more recent arrival in the opioid tale, is a synthetic opioid that is 100 times stronger than morphine and 50 times stronger than heroin. First developed in 1959 by Dr. Paul Janssen under a patent held by Janssen Pharmaceutica, fentanyl is increasingly prevalent in the market for opioids created by Defendants’ promotion, with particularly lethal consequences.

## **2. The Sackler family pioneered the integration of advertising and medicine.**

79. Given the history of opioid use in the U.S. and the medical profession’s resulting wariness, the commercial success of Defendants’ prescription opioids would not have been possible without a fundamental shift in prescribers’ perception of the risks and benefits of long-term opioid use.

80. As it turned out, Purdue was uniquely positioned to execute just such a maneuver, thanks to the legacy of a man named Arthur Sackler. The Sackler family is the sole owner of Purdue and one of the wealthiest families in America, surpassing the wealth of storied families like the Rockefellers, the Mellons, and the Busches.<sup>17</sup> Because of Purdue and, in particular, OxyContin, the Sacklers’ net worth was \$13 billion as of 2016. Today, all nine members of the

<sup>16</sup> Barry Meier, *Pain Killer: A “Wonder” Drug’s Trail of Addiction and Death* (Rodale 2003).

<sup>17</sup> Alex Morrell, *The OxyContin Clan: The \$14 Billion Newcomer to Forbes 2015 List of Richest U.S. Families*, *Forbes* (July 1, 2015, 10:17am), <https://www.forbes.com/sites/alexmorrell/2015/07/01/the-oxycontin-clan-the-14-billion-newcomer-to-forbes-2015-list-of-richest-u-s-families/#382ab3275e02>.



1 Purdue board are family members, and all of the company's profits go to Sackler family trusts  
2 and entities.<sup>18</sup> Yet the Sacklers have avoided publicly associating themselves with Purdue, letting  
3 others serve as the spokespeople for the company.

4           81. The Sackler brothers—Arthur, Mortimer, and Raymond—purchased a small  
5 patent-medicine company called The Purdue Frederick Company in 1952. While all three  
6 brothers were accomplished psychiatrists, it was Arthur, the oldest, who directed the Sackler  
7 story, treating his brothers more as his protégés than colleagues, putting them both through  
8 medical school and essentially dictating their paths. It was Arthur who created the Sackler  
9 family's wealth, and it was Arthur who created the pharmaceutical advertising industry as we  
10 know it—laying the groundwork for the OxyContin promotion that would make the Sacklers  
11 billionaires.  
12

13           82. Arthur Sackler was both a psychiatrist and a marketing executive, and, by many  
14 accounts, a brilliant and driven man. He pursued two careers simultaneously, as a psychiatrist at  
15 Creedmoor State Hospital in New York and the president of an advertising agency called  
16 William Douglas McAdams. Arthur pioneered both print advertising in medical journals and  
17 promotion through physician “education” in the form of seminars and continuing medical  
18 education courses. He understood intuitively the persuasive power of recommendations from  
19 fellow physicians, and did not hesitate to manipulate information when necessary. For example,  
20 one promotional brochure produced by his firm for Pfizer showed business cards of physicians  
21 from various cities as if they were testimonials for the drug, but when a journalist tried to contact  
22 these doctors, he discovered that they did not exist.<sup>19</sup>  
23  
24  
25

26 <sup>18</sup> David Armstrong, *The man at the center of the secret OxyContin files*, Stat News (May 12, 2016),  
<https://www.statnews.com/2016/05/12/man-center-secret-oxycontin-files/>.

<sup>19</sup> Meier, *supra* note 16, at 204.

83. It was Arthur who, in the 1960s, made Valium into the first \$100-million drug, so popular it became known as “Mother’s Little Helper.” His expertise as a psychiatrist was key to his success; as his biography in the Medical Advertising Hall of Fame notes, it “enabled him to position different indications for Roche’s Librium and Valium—to distinguish for the physician the complexities of anxiety and psychic tension.”<sup>20</sup> When Arthur’s client, Roche, developed Valium, it already had a similar drug, Librium, another benzodiazepine, on the market for treatment of anxiety. So Arthur invented a condition he called “psychic tension”—essentially stress—and pitched Valium as the solution.<sup>21</sup> The campaign, for which Arthur was compensated based on volume of pills sold,<sup>22</sup> was a remarkable success.

84. Arthur’s entrepreneurial drive led him to create not only the advertising for his clients but also the vehicle to bring their advertisements to doctors—a biweekly newspaper called the *Medical Tribune*, which he distributed for free to doctors nationwide. Arthur also conceived a company now called IMS Health Holdings Inc., which monitors prescribing practices of every doctor in the U.S. and sells this valuable data to pharmaceutical companies like Defendants, who utilize it to tailor their sales pitches to individual physicians.

85. Even as he expanded his business dealings, Arthur was adept at hiding his involvement in them. When, during a 1962 Senate hearing about deceptive pharmaceutical advertising, he was asked about a public relations company called Medical and Science Communications Associates, which distributed marketing from drug companies disguised as news articles, Arthur was able to truthfully testify that he never was an officer for nor had any

<sup>20</sup> MAHF Inductees, Arthur M. Sackler, Med. Advert. Hall of Fame, <https://www.mahf.com/mahf-inductees/> (last visited Mar. 22, 2018).

<sup>21</sup> Meier, *supra* note 16, at 202; *One Family Reaped Billions From Opioids*, WBUR On Point (Oct. 23, 2017), <http://www.wbur.org/onpoint/2017/10/23/one-family-reaped-billions-from-opioids>.

<sup>22</sup> WBUR On Point interview, *supra* note 21.

1 stock in that company. But the company's sole shareholder was his then-wife. Around the same  
 2 time, Arthur also successfully evaded an investigative journalist's attempt to link the Sacklers to  
 3 a company called MD Publications, which had funneled payments from drug companies to an  
 4 FDA official named Henry Welch, who was forced to resign when the scandal broke.<sup>23</sup> Arthur  
 5 had set up such an opaque and layered business structure that his connection to MD Publications  
 6 was only revealed decades later when his heirs were fighting over his estate.  
 7

8 86. Arthur Sackler did not hesitate to manipulate information to his advantage. His  
 9 legacy is a corporate culture that prioritizes profits over people. In fact, in 2007, federal  
 10 prosecutors conducting a criminal investigation of Purdue's fraudulent advertising of OxyContin  
 11 found a "corporate culture that allowed this product to be misbranded with the intent to defraud  
 12 and mislead."<sup>24</sup> Court documents from the prosecution state that "certain Purdue supervisors and  
 13 employees, with the intent to defraud or mislead, marketed and promoted OxyContin as less  
 14 addictive, less subject to abuse and diversion, and less likely to cause tolerance and withdrawal  
 15 than other pain medications . . ."<sup>25</sup> Half a century after Arthur Sackler wedded advertising and  
 16 medicine, Purdue employees were following his playbook, putting product sales over patient  
 17 safety.  
 18

### 19 3. Purdue and the development of OxyContin

20 87. After the Sackler brothers acquired The Purdue Frederick Company in 1952,  
 21 Purdue sold products ranging from earwax remover to antiseptic, and it became a profitable  
 22 business. As an advertising executive, Arthur Sackler was not involved, on paper at least, in  
 23  
 24

25 <sup>23</sup> Meier, *supra* note 16, at 210-14.

26 <sup>24</sup> Naomi Spencer, *OxyContin manufacturer reaches \$600 million plea deal over false marketing practices*, World Socialist Web Site (May 19, 2007), <http://www.wsws.org/en/articles/2007/05/oxy-m19.html>.

<sup>25</sup> Agreed Statement of Facts, *United States v. Purdue Frederick Co.*, No. 1:07-cr-00029 (W.D. Va. May 10, 2007).

1 running Purdue because that would have been a conflict of interest. Raymond Sackler became  
 2 Purdue's head executive while Mortimer Sackler ran Purdue's UK affiliate.

3 88. In the 1980s, Purdue, through its UK affiliate, acquired a Scottish drug producer  
 4 that had developed a sustained-release technology suitable for morphine. Purdue marketed this  
 5 extended-release morphine as MS Contin. It quickly became Purdue's best seller. As the patent  
 6 expiration for MS Contin loomed, Purdue searched for a drug to replace it. Around that time,  
 7 Raymond Sackler's oldest son, Richard Sackler, who was also a trained physician, became more  
 8 involved in the management of the company. Richard Sackler had grand ambitions for the  
 9 company; according to a long-time Purdue sales representative, "Richard really wanted Purdue  
 10 to be big—I mean *really* big."<sup>26</sup> Richard Sackler believed Purdue should develop another use for  
 11 its "Contin" timed-release system.  
 12

13 89. In 1990, Purdue's VP of clinical research, Robert Kaiko, sent a memo to Richard  
 14 Sackler and other executives recommending that the company work on a pill containing  
 15 oxycodone. At the time, oxycodone was perceived as less potent than morphine, largely because  
 16 it was most commonly prescribed as Percocet, the relatively weak oxycodone-acetaminophen  
 17 combination pill. MS Contin was not only approaching patent expiration but had always been  
 18 limited by the stigma associated with morphine. Oxycodone did not have that problem, and  
 19 what's more, it was sometimes mistakenly called "oxycodine," which also contributed to the  
 20 perception of relatively lower potency, because codeine is weaker than morphine. Purdue  
 21 acknowledged using this to its advantage when it eventually pled guilty to criminal charges of  
 22 "misbranding" in 2007, admitting that it was "well aware of the incorrect view held by many  
 23  
 24  
 25  
 26

<sup>26</sup> Christopher Glazek, *The Secretive Family Making Billions from the Opioid Crisis*, Esquire (Oct. 16, 2017),  
<http://www.esquire.com/news-politics/a12775932/sackler-family-oxycontin/>.

1 physicians that oxycodone was weaker than morphine” and “did not want to do anything ‘to  
2 make physicians think that oxycodone was stronger or equal to morphine’ or to ‘take any steps . .  
3 . that would affect the unique position that OxyContin’” held among physicians.<sup>27</sup>

4 90. For Purdue and OxyContin to be “*really* big,” Purdue needed to both distance its  
5 new product from the traditional view of narcotic addiction risk, and broaden the drug’s uses  
6 beyond cancer pain and hospice care. A marketing memo sent to Purdue’s top sales executives in  
7 March 1995 recommended that if Purdue could show that the risk of abuse was lower with  
8 OxyContin than with traditional immediate-release narcotics, sales would increase.<sup>28</sup> As  
9 discussed below, Purdue did not find or generate any such evidence, but this did not stop Purdue  
10 from making that claim regardless.

11 91. Despite the fact that there has been little or no change in the amount of pain  
12 reported in the U.S. over the last twenty years, Purdue recognized an enormous untapped market  
13 for its new drug. As Dr. David Haddox, a Senior Medical Director at Purdue, declared on the  
14 Early Show, a CBS morning talk program, “There are 50 million patients in this country who  
15 have chronic pain that’s not being managed appropriately every single day. OxyContin is one of  
16 the choices that doctors have available to them to treat that.”<sup>29</sup>

17 92. In pursuit of these 50 million potential customers, Purdue poured resources into  
18 OxyContin’s sales force and advertising. The graph below shows how promotional spending in  
19 the first six years following OxyContin’s launch dwarfed Purdue’s spending on MS Contin or  
20 Defendant Janssen’s spending on Duragesic:<sup>30</sup>

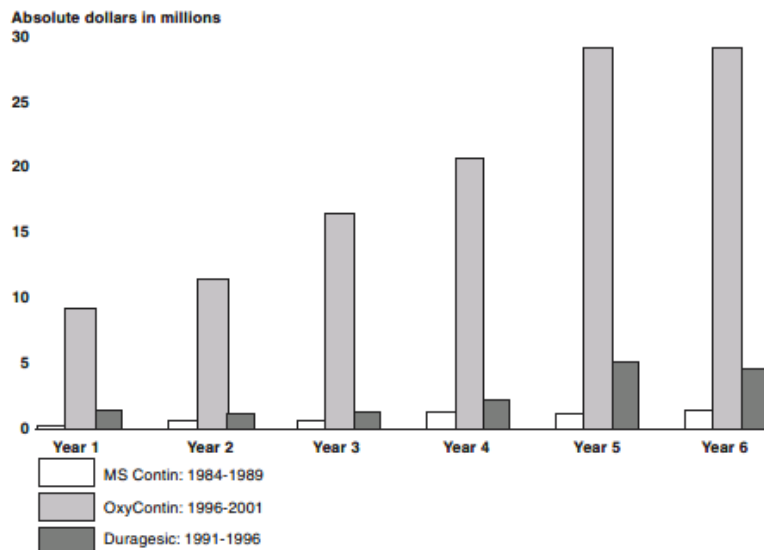
21  
22  
23  
24  
25 <sup>27</sup> *United States v. Purdue Frederick Co.*, *supra* note 25.

26 <sup>28</sup> Meier, *supra* note 16, at 269.

<sup>29</sup> *Id.* at 156.

<sup>30</sup> *OxyContin Abuse and Diversion and Efforts to Address the Problem*, U.S. Gen. Acct. Off. Rep. to Cong. Requesters at 22 (Dec. 2003), <http://www.gao.gov/new.items/d04110.pdf>.

**Figure 1: Promotional Spending for Three Opioid Analgesics in First 6 Years of Sales**



Source: DEA and IMS Health, Integrated Promotional Service Audit.

Note: Dollars are 2002 adjusted.

93. Prior to Purdue's launch of OxyContin, no drug company had ever promoted such a pure, high-strength Schedule II narcotic to so wide an audience of general practitioners. Today, one in every five patients who present themselves to physicians' offices with non-cancer pain symptoms or pain-related diagnoses (including acute and chronic pain) receives an opioid prescription.<sup>31</sup>

94. Purdue has generated estimated sales of more than \$35 billion from opioids since 1996, while raking in more than \$3 billion in 2015 alone. Remarkably, its opioid sales continued to climb even after a period of media attention and government inquiries regarding OxyContin abuse in the early 2000s and a criminal investigation culminating in guilty pleas in 2007. Purdue proved itself skilled at evading full responsibility and continuing to sell through the controversy.

<sup>31</sup> Deborah Dowell, M.D., Tamara M. Haegerich, Ph.D., and Roger Chou, M.D., *CDC Guideline for Prescribing Opioids for Chronic Pain — United States, 2016*, Ctrs. for Disease Control and Prevention (Mar. 18, 2016), <https://www.cdc.gov/mmwr/volumes/65/rr/rr6501e1.htm> ("2016 CDC Guideline").

1 The company's annual opioid sales of \$3 billion in 2015 represent a four-fold increase from its  
2 2006 sales of \$800 million.

3 95. One might imagine that Richard Sackler's ambitions have been realized. But in  
4 the best tradition of family patriarch Arthur Sackler, Purdue has its eyes on even greater profits.  
5 Under the name of Mundipharma, the Sacklers are looking to new markets for their opioids—  
6 employing the exact same playbook in South America, China, and India as they did in the United  
7 States.  
8

9 96. In May 2017, a dozen members of Congress sent a letter to the World Health  
10 Organization, warning it of the deceptive practices Purdue is unleashing on the rest of the world  
11 through Mundipharma:

12 We write to warn the international community of the deceptive and dangerous  
13 practices of Mundipharma International—an arm of Purdue Pharmaceuticals. The  
14 greed and recklessness of one company and its partners helped spark a public health  
15 crisis in the United States that will take generations to fully repair. We urge the  
16 World Health Organization (WHO) to do everything in its power to avoid allowing  
17 the same people to begin a worldwide opioid epidemic. Please learn from our  
18 experience and do not allow Mundipharma to carry on Purdue's deadly legacy on  
19 a global stage. . . .

20 Internal documents revealed in court proceedings now tell us that since the early  
21 development of OxyContin, Purdue was aware of the high risk of addiction it  
22 carried. Combined with the misleading and aggressive marketing of the drug by its  
23 partner, Abbott Laboratories, Purdue began the opioid crisis that has devastated  
24 American communities since the end of the 1990s. Today, Mundipharma is using  
25 many of the same deceptive and reckless practices to sell OxyContin abroad. . . .

26 In response to the growing scrutiny and diminished U.S. sales, the Sacklers have  
simply moved on. On December 18, the Los Angeles Times published an extremely  
troubling report detailing how in spite of the scores of lawsuits against Purdue for  
its role in the U.S. opioid crisis, and tens of thousands of overdose deaths,  
Mundipharma now aggressively markets OxyContin internationally. In fact,  
Mundipharma uses many of the same tactics that caused the opioid epidemic to

1 flourish in the U.S., though now in countries with far fewer resources to devote to  
2 the fallout.<sup>32</sup>

3 97. Purdue's pivot to untapped markets, after extracting substantial profits from  
4 communities like Clark County and leaving the County to address the resulting damage,  
5 underscores that its actions have been knowing, intentional, and motivated by profits throughout  
6 this entire tragic story.

## 7 **B. The Booming Business of Addiction**

### 8 **1. Other Manufacturing Defendants seized the opioid opportunity.**

9 98. Purdue created a market in which the prescription of powerful opioids for a range  
10 of common aches and pains was not only acceptable but encouraged—but it was not alone.  
11 Defendants Endo, Janssen, Cephalon, and Actavis, each of which already produced and sold  
12 prescription opioids, positioned themselves to take advantage of the opportunity Purdue created,  
13 developing both branded and generic opioids to compete with OxyContin while misrepresenting  
14 the safety and efficacy of their products.

15 99. Endo, which for decades had sold Percocet and Percodan, both containing  
16 relatively low doses of oxycodone, moved quickly to develop a generic version of extended-  
17 release oxycodone to compete with OxyContin, receiving tentative FDA approval for its generic  
18 release oxycodone to compete with OxyContin, receiving tentative FDA approval for its generic  
19 version in 2002. As Endo stated in its 2003 Form 10-K, it was the first to file an application with  
20 the FDA for bioequivalent versions of the 10, 20, and 40 mg strengths of OxyContin, which  
21 potentially entitled it to 180 days of generic marketing exclusivity—"a significant advantage."<sup>33</sup>  
22  
23  
24

25 <sup>32</sup> Letter from Cong. of the U.S., to Dr. Margaret Chan, Dir.-Gen., World Health Org. (May 3, 2017),  
26 <http://katherineclark.house.gov/cache/files/a577bd3c-29ec-4bb9-bdba-1ca71c784113/mundipharma-letter-signatures.pdf>.

<sup>33</sup> *Endo Pharm. Holdings, Inc. Form 10-K*, U.S. Sec. and Exchange Comm'n, at 4 (Mar. 15, 2004),  
[http://media.corporate-ir.net/media\\_files/irol/12/123046/reports/10K\\_123103.pdf](http://media.corporate-ir.net/media_files/irol/12/123046/reports/10K_123103.pdf).



1 Purdue responded by suing Endo for patent infringement, litigating its claims through a full trial  
 2 and a Federal Circuit appeal—unsuccessfully. As the trial court found, and the appellate court  
 3 affirmed, Purdue obtained the oxycodone patents it was fighting to enforce through “inequitable  
 4 conduct”—namely, suggesting that its patent applications were supported by clinical data when  
 5 in fact they were based on an employee’s “insight and not scientific proof.”<sup>34</sup> Endo began selling  
 6 its generic extended-release oxycodone in 2005.

8 100. At the same time as Endo was battling Purdue over generic OxyContin—and as  
 9 the U.S. was battling increasingly widespread opioid abuse—Endo was working on getting  
 10 another branded prescription opioid on the market. In 2002, Endo submitted applications to the  
 11 FDA for both immediate-release and extended-release tablets of oxymorphone, branded as  
 12 Opana and Opana ER.

13 101. Like oxycodone, oxymorphone is not a new drug; it was first synthesized in  
 14 Germany in 1914 and sold in the U.S. by Endo beginning in 1959 under the trade name  
 15 Numorphan, in injectable, suppository, and oral tablet forms. But the oral tablets proved highly  
 16 susceptible to abuse. Called “blues” after the light blue color of the 10 mg pills, Numorphan  
 17 provoked, according to some users, a more euphoric high than heroin, and even had its moment  
 18 in the limelight as the focus of the movie *Drugstore Cowboy*. As the National Institute on Drug  
 19 Abuse observed in its 1974 report, “Drugs and Addict Lifestyle,” Numorphan was extremely  
 20 popular among addicts for its quick and sustained effect.<sup>35</sup> Endo withdrew oral Numorphan from  
 21 the market in 1979, reportedly for “commercial reasons.”<sup>36</sup>

24  
 25 <sup>34</sup> *Purdue Pharma L.P. v. Endo Pharm. Inc.*, 438 F.3d 1123, 1131 (Fed. Cir. 2006).

26 <sup>35</sup> John Fauber and Kristina Fiore, *Abandoned Painkiller Makes a Comeback*, MedPage Today (May 10, 2015),  
<https://www.medpagetoday.com/psychiatry/addictions/51448>.

<sup>36</sup> *Id.*

1           102. Two decades later, however, as communities around the U.S. were first sounding  
 2 the alarm about prescription opioids and Purdue executives were being called to testify before  
 3 Congress about the risks of OxyContin, Endo essentially reached back into its inventory, dusted  
 4 off a product it had previously shelved after widespread abuse, and pushed it into the  
 5 marketplace with a new trade name and a potent extended-release formulation.

6           103. The clinical trials submitted with Endo's first application for approval of Opana  
 7 were insufficient to demonstrate efficacy, and some subjects in the trials overdosed and had to be  
 8 revived with naloxone. Endo then submitted new "enriched enrollment" clinical trials, in which  
 9 trial subjects who do not respond to the drug are excluded from the trial, and obtained approval.  
 10 Endo began marketing Opana and Opana ER in 2006.

11           104. Like Numorphan, Opana ER was highly susceptible to abuse. On June 8, 2017,  
 12 the FDA sought removal of Opana ER. In its press release, the FDA indicated that "the agency is  
 13 seeking removal based on its concern that the benefits of the drug may no longer outweigh its  
 14 risks. This is the first time the agency has taken steps to remove a currently marketed opioid pain  
 15 medication from sale due to the public health consequences of abuse."<sup>37</sup> On July 6, 2017, Endo  
 16 agreed to withdraw Opana ER from the market.<sup>38</sup>

17           105. Janssen, which already marketed the Duragesic (fentanyl) patch, developed a new  
 18 opioid compound called tapentadol in 2009, marketed as Nucynta for the treatment of moderate  
 19 to severe pain. Janssen launched the extended-release version, Nucynta ER, for treatment of  
 20 chronic pain in 2011.

21  
 22  
 23  
 24  
 25 <sup>37</sup> Press Release, U.S. Food & Drug Administration, *FDA requests removal of Opana ER for risks related to abuse*  
 26 (June 8, 2017), <https://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm562401.htm>.

<sup>38</sup> *Endo pulls opioid as U.S. seeks to tackle abuse epidemic*, Reuters (July 6, 2017, 9:59am),  
<https://www.reuters.com/article/us-endo-intl-opana-idUSKBN19R2II>.

106. Cephalon also manufactures Actiq, a fentanyl lozenge, and Fentora, a fentanyl tablet. As noted above, fentanyl is an extremely powerful synthetic opioid. According to the DEA, as little as two milligrams is a lethal dosage for most people. Actiq has been approved by the FDA only for the “management of breakthrough cancer pain in patients 16 years and older with malignancies who are already receiving and who are tolerant to around-the-clock opioid therapy for the underlying persistent cancer pain.”<sup>39</sup> Fentora has been approved by the FDA only for the “management of breakthrough pain in cancer patients 18 years of age and older who are already receiving and who are tolerant to around-the-clock opioid therapy for their underlying persistent cancer pain.”<sup>40</sup>

107. In 2008, Cephalon pled guilty to a criminal violation of the Federal Food, Drug and Cosmetic Act for its misleading promotion of Actiq and two other drugs and agreed to pay \$425 million.

108. Actavis acquired the rights to Kadian, extended-release morphine, in 2008, and began marketing Kadian in 2009. Actavis’s opioid products also include Norco, a brand-name hydrocodone and acetaminophen pill, first approved in 1997. But Actavis, primarily a generic drugmaker, pursued opioid profits through generics, selling generic versions of OxyContin, Opana, and Duragesic. In 2013, it settled a patent lawsuit with Purdue over its generic version of “abuse-deterrent” OxyContin, striking a deal that would allow it to market its abuse-deterrent oxycodone formulation beginning in 2014. Actavis anticipated over \$100 million in gross profit from generic OxyContin sales in 2014 and 2015.

<sup>39</sup> *Prescribing Information, ACTIQ®*, U.S. Food & Drug Admin., [https://www.accessdata.fda.gov/drugsatfda\\_docs/label/2009/020747s030lbl.pdf](https://www.accessdata.fda.gov/drugsatfda_docs/label/2009/020747s030lbl.pdf) (last visited Mar. 19, 2018).

<sup>40</sup> *Prescribing Information, FENTORA®*, U.S. Food & Drug Admin., [https://www.accessdata.fda.gov/drugsatfda\\_docs/label/2012/021947s015lbl.pdf](https://www.accessdata.fda.gov/drugsatfda_docs/label/2012/021947s015lbl.pdf) (last visited Mar. 19, 2018).

1           109. Mallinckrodt's generic oxycodone achieved enough market saturation to have its  
2 own street name, "M's," based on its imprint on the pills. As noted above, Mallinckrodt was the  
3 subject of a federal investigation based on diversion of its oxycodone in Florida, where 500  
4 million of its pills were shipped between 2008 and 2012. Federal prosecutors alleged that 43,991  
5 orders from distributors and retailers were excessive enough be considered suspicious and should  
6 have been reported to the DEA.  
7

8           110. All told, the Manufacturing Defendants have reaped enormous profits from the  
9 addiction crisis they spawned. For example, Opana ER alone generated more than \$1 billion in  
10 revenue for Endo in 2010 and again in 2013. Janssen earned more than \$1 billion in sales of  
11 Duragesic in 2009, and Nucynta and Nucynta ER accounted for \$172 million in sales in 2014.  
12

13           **2. Distributor Defendants knowingly supplied dangerous quantities of opioids**  
14           **while advocating for limited oversight and enforcement.**

15           111. The Distributor Defendants track and keep a variety of information about the  
16 pharmacies and other entities to which they sell pharmaceuticals. For example, the Distributor  
17 Defendants use "know your customer" questionnaires that track the number and types of pills  
18 their customers sell, absolute and relative amounts of controlled substances they sell, whether the  
19 customer purchases from other distributors, and types of medical providers in the areas, among  
20 other information.

21           112. These questionnaires and other sources of information available to the Distributor  
22 Defendants provide ample data to put the Distributor Defendants on notice of suspicious orders,  
23 pharmacies, and doctors.

24           113. Nevertheless, the Distributor Defendants refused or failed to identify, investigate,  
25 or report suspicious orders of opioids to the DEA. Even when the Distributor Defendants had  
26

1 actual knowledge that they were distributing opioids to drug diversion rings, they refused or  
2 failed to report these sales to the DEA.

3 114. By not reporting suspicious opioid orders or known diversions of prescription  
4 opioids, not only were the Defendants able to continue to sell opioids to questionable customers,  
5 Defendants ensured that the DEA had no basis for decreasing or refusing to increase production  
6 quotas for prescription opioids.  
7

8 115. Moreover, the Distributor Defendants successfully lobbied to limit the DEA's  
9 ability to stop the flow of opioids, by drafting legislation called the Ensuring Patient Access and  
10 Effective Drug Enforcement (EPAEDE) Act, which was signed into law in 2016. Prior to this  
11 law, the DEA could use an "immediate suspension order" to halt suspicious shipments of pills  
12 that posed an "imminent" threat to the public. The EPAEDE Act changed the required showing  
13 to an "immediate" threat—an impossible standard given the fact that the drugs may sit on a shelf  
14 for a few days after shipment. The law effectively neutralized the DEA's ability to bring  
15 enforcement actions against distributors.  
16

17 116. The legislation was drafted by a former DEA lawyer, D. Linden Barber, who is  
18 now a senior vice president at Defendant Cardinal Health. Prior to leaving the DEA, Barber had  
19 worked with Joseph Rannazzisi, then the chief of the DEA's Office of Diversion Control, to plan  
20 the DEA's fight against the diversion of prescription drugs. So when Barber began working for  
21 Cardinal Health, he knew just how to neutralize the effectiveness of the DEA's enforcement  
22 actions. Barber and other promoters of the EPAEDE Act portrayed the legislation as maintaining  
23 patient access to medication critical for pain relief. In a 2014 hearing on the bill, Barber testified  
24 about the "unintended consequences in the supply chain" of the DEA's enforcement actions. But  
25  
26 by that time, communities across the United States, including Plaintiff Clark County, were

1 grappling with the “unintended consequences” of Defendants’ reckless promotion and  
2 distribution of narcotics.

3 117. Despite egregious examples of drug diversion from around the country, the  
4 promoters of the EPAEDE Act were successful in characterizing the bill as supporting patients’  
5 rights. One of the groups supporting this legislation was the Alliance for Patient Access, a “front  
6 group” as discussed further below, which purports to advocate for patients’ rights to have access  
7 to medicines, and whose 2017 list of “associate members and financial supporters” included  
8 Defendants Purdue, Endo, Johnson & Johnson, Actavis, Mallinckrodt, and Cephalon. In a 2013  
9 “white paper” titled “Prescription Pain Medication: Preserving Patient Access While Curbing  
10 Abuse,” the Alliance for Patient Access asserted multiple “unintended consequences” of  
11 regulating pain medication, including a decline in prescriptions as physicians feel burdened by  
12 regulations and stigmatized.<sup>41</sup>  
13  
14

15 118. The Distributor Defendants are also part of the activities of the Alliance for  
16 Patient Access, although their involvement is hidden. One example of their involvement was  
17 revealed by the metadata of an electronic document: the letter from the Alliance for Patient  
18 Access in support of the EPAEDE Act. That document was created by Kristen Freitas, a  
19 registered lobbyist and the vice president for federal government affairs of the Healthcare  
20 Distributors Alliance (HDA)—the trade group that represents Defendants McKesson, Cardinal  
21 Health, and AmerisourceBergen.  
22

23 119. Through third-party “front groups” like the Alliance for Patient Access and trade  
24 organizations like HDA, the Manufacturing Defendants and the Distributor Defendants worked  
25

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26 <sup>41</sup> *Prescription Pain Medication: Preserving Patient Access While Curbing Abuse*, Inst. for Patient Access (Oct. 2013), [http://1yh21u3cjptv3xjderldco9mx5s.wpengine.netdna-cdn.com/wp-content/uploads/2013/12/PT\\_White-Paper\\_Finala.pdf](http://1yh21u3cjptv3xjderldco9mx5s.wpengine.netdna-cdn.com/wp-content/uploads/2013/12/PT_White-Paper_Finala.pdf).

1 behind the scenes to ensure that the flow of dangerous narcotics into communities across the  
2 country would not be restricted.

3       120. The Distributor Defendants have been the subject of numerous enforcement  
4 actions by the DEA. In 2008, for example, McKesson was fined \$13.3 million and agreed to  
5 strengthen its controls by implementing a three-tiered system that would flag buyers who  
6 exceeded monthly thresholds for opioids. As the opioid crisis deepened, the DEA's Office of  
7 Diversion Control, led by Rannazzisi, stepped up enforcement, filing 52 immediate suspension  
8 orders against suppliers and pill mills in 2010 alone. Defendant Cardinal Health was fined \$34  
9 million by the DEA in 2013 for failing to report suspicious orders.

11       121. Eventually, Defendants pushed back, utilizing well-funded lobbyists and the  
12 narrative of maintaining patient access to critical medications. The Alliance for Patient Access  
13 issues "Patient Access Champion" financial awards to members of Congress, handing out fifty of  
14 these awards in 2015, which were funded by \$7.8 million in anonymous donations. While  
15 ostensibly recognizing a commitment to protecting patient access to Medicare, these awards  
16 allow the Alliance for Patient Access to financially reward members of Congress who support its  
17 agenda. When the DEA's Diversion Control chief, Rannazzisi, testified against the proposed  
18 EPAEDE Act in 2014, the hearing became contentious, and Rannazzisi found himself at odds  
19 with several members of Congress. After a decade leading DEA's Diversion Control, he was  
20 forced out in 2015.

22       122. The Distributor Defendants were not simply passive transporters of opioids. They  
23 intentionally failed to report suspicious orders and actively pushed back against efforts to enforce  
24 the law and restrict the flow of opioids into communities like Clark County.  
25  
26

1           **3. Pill mills and overprescribing doctors also placed their financial interests**  
 2           **ahead of their patients' interests.**

3           123. Prescription opioid manufacturers and distributors were not the only ones to  
 4 recognize an economic opportunity. Around the country, including in Clark County, certain  
 5 doctors or pain clinics ended up doing brisk business dispensing opioid prescriptions. As Dr.  
 6 Andrew Kolodny, cofounder of Physicians for Responsible Opioid Prescribing, observed, this  
 7 business model meant doctors would “have a practice of patients who’ll never miss an  
 8 appointment and who pay in cash.”<sup>42</sup>

9           124. Moreover, the Manufacturing Defendants’ sales incentives rewarded sales  
 10 representatives who happened to have pill mills within their territories, enticing those  
 11 representatives to look the other way even when their in-person visits to such clinics should have  
 12 raised numerous red flags. In one example, a pain clinic in South Carolina was diverting massive  
 13 quantities of OxyContin. People traveled to the clinic from towns as far as 100 miles away to get  
 14 prescriptions. Eventually, the DEA’s diversion unit raided the clinic, and prosecutors filed  
 15 criminal charges against the doctors. But Purdue’s sales representative for that territory, Eric  
 16 Wilson, continued to promote OxyContin sales at the clinic. He reportedly told another local  
 17 physician that this clinic accounted for 40% of the OxyContin sales in his territory. At that time,  
 18 Wilson was Purdue’s top-ranked sales representative.<sup>43</sup> In response to news stories about this  
 19 clinic, Purdue issued a statement, declaring that “if a doctor is intent on prescribing our  
 20 medication inappropriately, such activity would continue regardless of whether we contacted the  
 21 doctor or not.”<sup>44</sup>

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 26 <sup>42</sup> Sam Quinones, *Dreamland: The True Tale of America’s Opiate Epidemic* 314 (Bloomsbury Press 2015).

<sup>43</sup> Meier, *supra* note 16, at 298-300.

<sup>44</sup> *Id.*



1           125. Whenever examples of opioid diversion and abuse have drawn media attention,  
2 the Manufacturing Defendants have consistently blamed “bad actors.” For example, in 2001,  
3 during a Congressional hearing, Purdue’s attorney Howard Udell answered pointed questions  
4 about how it was that Purdue could utilize IMS Health data to assess their marketing efforts but  
5 not notice a particularly egregious pill mill in Pennsylvania run by a doctor named Richard  
6 Paolino. Udell asserted that Purdue was “fooled” by the “bad actor” doctor: “The picture that is  
7 painted in the newspaper [of Dr. Paolino] is of a horrible, bad actor, someone who preyed upon  
8 this community, who caused untold suffering. And he fooled us all. He fooled law enforcement.  
9 He fooled the DEA. He fooled local law enforcement. He fooled us.”<sup>45</sup>

11           126. But given the closeness with which all Defendants monitored prescribing patterns,  
12 including through IMS Health data, it is highly improbable that they were “fooled.” In fact, a  
13 local pharmacist had noticed the volume of prescriptions coming from Paolino’s clinic and  
14 alerted authorities. Purdue had the prescribing data from the clinic and alerted no one. Rather, it  
15 appears Purdue and other Defendants used the IMS Health data to target pill mills and sell more  
16 pills. Indeed, a Purdue executive referred to Purdue’s tracking system and database as a “gold  
17 mine” and acknowledged that Purdue could identify highly suspicious volumes of prescriptions.

19           127. Sales representatives making in-person visits to such clinics were likewise not  
20 fooled. But as pill mills were lucrative for the manufacturers and individual sales representatives  
21 alike, Defendants and their employees turned a collective blind eye, allowing certain clinics to  
22 dispense staggering quantities of potent opioids and feigning surprise when the most egregious  
23 examples eventually made the nightly news.  
24  
25  
26

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<sup>45</sup> *Id.* at 179.

1           **4.       Widespread prescription opioid use broadened the market for heroin and**  
 2           **fentanyl.**

3           128.   Defendants' scheme achieved a dramatic expansion of the U.S. market for  
 4           opioids, prescription and non-prescription alike. Heroin and fentanyl use has surged—a  
 5           foreseeable consequence of Defendants' successful promotion of opioid use coupled with the  
 6           sheer potency of their products.

7           129.   In his book *Dreamland: The True Tale of America's Opiate Epidemic*, journalist  
 8           Sam Quinones summarized the easy entrance of black tar heroin in a market primed by  
 9           prescription opioids:

10                   His black tar, once it came to an area where OxyContin had already tenderized the  
 11                   terrain, sold not to tapped-out junkies but to younger kids, many from the suburbs,  
 12                   most of whom had money and all of whom were white. Their transition from Oxy  
 13                   to heroin, he saw, was a natural and easy one. Oxy addicts began by sucking on and  
 14                   dissolving the pills' timed-release coating. They were left with 40 or 80 mg of pure  
 15                   oxycodone. At first, addicts crushed the pills and snorted the powder. As their  
 16                   tolerance built, they used more. To get a bigger bang from the pill, they liquefied it  
 17                   and injected it. But their tolerance never stopped climbing. OxyContin sold on the  
 18                   street for a dollar a milligram and addicts very quickly were using well over 100  
 19                   mg a day. As they reached their financial limits, many switched to heroin, since  
 20                   they were already shooting up Oxy and had lost any fear of the needle.<sup>46</sup>

21           130.   In a study examining the relationship between the abuse of prescription opioids  
 22           and heroin, researchers found that 75% of those who began their opioid abuse in the 2000s  
 23           reported that their first opioid was a prescription drug.<sup>47</sup> As the graph below illustrates,  
 24           prescription opioids replaced heroin as the first opioid of abuse beginning in the 1990s.

25           <sup>46</sup> Quinones, *supra* note 42, at 165-66.

26           <sup>47</sup> Theodore J. Cicero, PhD, Matthew S. Ellis, MPE, Hilary L. Surratt, PhD, *The Changing Face of Heroin Use in the United States: A Retrospective Analysis of the Past 50 Years*, 71(7) JAMA Psychiatry 821-826 (2014), <https://jamanetwork.com/journals/jamapsychiatry/fullarticle/1874575>.



From: **The Changing Face of Heroin Use in the United States: A Retrospective Analysis of the Past 50 Years**

JAMA Psychiatry. 2014;71(7):821-826. doi: 10.1001/jamapsychiatry.2014.366

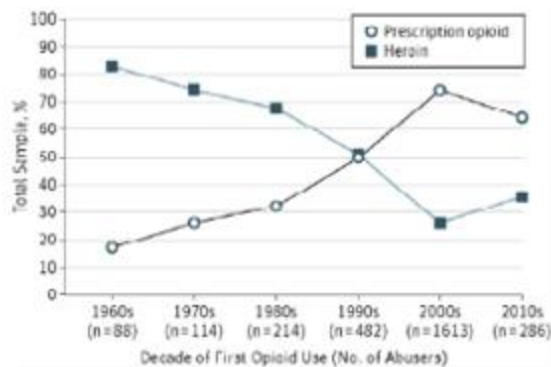


Figure Legend:

Percentage of the Total Heroin-Dependent Sample That Used Heroin or a Prescription Opioid as Their First Opioid of Abuse Data are plotted as a function of the decade in which respondents initiated their opioid abuse.

131. The researchers also found that nearly half of the respondents who indicated that their primary drug was heroin actually preferred prescription opioids, because the prescription drugs were legal, and perceived as “safer and cleaner.” But, heroin’s lower price point is a distinct advantage. While an 80 mg OxyContin might cost \$80 on the street, the same high can be had from \$20 worth of heroin.

132. As noted above, there is little difference between the chemical structures of heroin and prescription opioids. Between 2005 and 2009, Mexican heroin production increased by over 600%. And between 2010 and 2014, the amount of heroin seized at the U.S.-Mexico border more than doubled.

133. From 2002 to 2016, fatal overdoses related to heroin in the U.S. increased by 533%—from 2,089 deaths in 2002 to 13,219 deaths in 2016.<sup>48</sup>

134. Along with heroin use, fentanyl use is on the rise, as a result of America's expanded appetite for opioids. But fentanyl, as noted above, is fifty times more potent than heroin, and overdosing is all too easy. Fentanyl is expected to cause over 20,000 overdoses in 2017.<sup>49</sup>

135. As Dr. Caleb Banta-Green, senior research scientist at the University of Washington's Alcohol and Drug Abuse Institute, told The Seattle Times in August 2017, "The bottom line is opioid addiction is the overall driver of deaths. People will use whatever opioid they can get. It's just that which one they're buying is changing a bit."<sup>50</sup>

#### C. The Manufacturing Defendants Promoted Prescription Opioids Through Several Channels.

136. Despite knowing the devastating consequences of widespread opioid use, the Manufacturing Defendants engaged in a sophisticated and multi-pronged promotional campaign designed to achieve just that. By implementing the strategies pioneered by Arthur Sackler, these Defendants were able to achieve the fundamental shift in the perception of opioids that was key to making them blockbuster drugs.

137. The Manufacturing Defendants disseminated their deceptive statements about opioids through several channels.<sup>51</sup> First, these Defendants aggressively and persistently pushed

<sup>48</sup> Niall McCarthy, *U.S. Heroin Deaths Have Increased 533% Since 2002*, Forbes (Sept. 11, 2017, 8:26am), <https://www.forbes.com/sites/niallmccarthy/2017/09/11/u-s-heroin-deaths-have-increased-533-since-2002-infographic/#13ab9a531abc>.

<sup>49</sup> *Id.*

<sup>50</sup> *Opioids: The Leading Cause of Drug Deaths in Seattle Area*, U. of Wash. Sch. of Pub. Health (Aug. 25, 2017), [http://sph.washington.edu/news/article.asp?content\\_ID=8595](http://sph.washington.edu/news/article.asp?content_ID=8595).

<sup>51</sup> The specific misrepresentations and omissions are discussed below in Section D.

1 opioids through sales representatives. Second, these Defendants funded third-party organizations  
 2 that appeared to be neutral but which served as additional marketing departments for drug  
 3 companies. Third, these Defendants utilized prominent physicians as paid spokespeople—“Key  
 4 Opinion Leaders”—to take advantage of doctors’ respect for and reliance on the  
 5 recommendations of their peers. Finally, these Defendants also used print and online advertising,  
 6 including unbranded advertising, which is not reviewed by the FDA.

8 138. The Manufacturing Defendants spent substantial sums and resources in making  
 9 these communications. For example, Purdue spent more than \$200 million marketing OxyContin  
 10 in 2001 alone.<sup>52</sup>

11 **1. The Manufacturing Defendants aggressively deployed sales representatives**  
 12 **to push their products.**

13 139. The Manufacturing Defendants communicated to prescribers directly in the form  
 14 of in-person visits and communications from sales representatives.

15 140. The Manufacturing Defendants’ tactics through their sales representatives—also  
 16 known as “detailers”—were particularly aggressive. In 2014, Manufacturing Defendants  
 17 collectively spent well over \$100 million on detailing branded opioids to doctors.

18 141. Each sales representative has a specific sales territory and is responsible for  
 19 developing a list of about 105 to 140 physicians to call on who already prescribe opioids or who  
 20 are candidates for prescribing opioids.

21 142. When Purdue launched OxyContin in 1996, its 300-plus sales force had a total  
 22 physician call list of approximately 33,400 to 44,500. By 2000, nearly 700 representatives had a  
 23  
 24  
 25

26 <sup>52</sup> *Oxycontin: Balancing Risks and Benefits: Hearing of the S. Comm. on Health, Education, Labor and Pensions*,  
 107th Cong. 2 (Feb. 12, 2002) (testimony of Paul Goldenheim, Vice President for Research, Purdue Pharma),  
<https://www.gpo.gov/fdsys/pkg/CHRG-107shrg77770/html/CHRG-107shrg77770.htm>.

1 total call list of approximately 70,500 to 94,000 physicians. Each sales representative was  
 2 expected to make about thirty-five physician visits per week and typically called on each  
 3 physician every three to four weeks, while each hospital sales representative was expected to  
 4 make about fifty physician visits per week and call on each facility every four weeks.<sup>53</sup>

5 143. One of Purdue's early training memos compared doctor visits to "firing at a  
 6 target," declaring that "[a]s you prepare to fire your 'message,' you need to know where to aim  
 7 and what you want to hit!"<sup>54</sup> According to the memo, the target is physician resistance based on  
 8 concern about addiction: "The physician wants pain relief for these patients without addicting  
 9 them to an opioid."<sup>55</sup>

10 144. To hit that target, Purdue sales representatives were taught to say, "The delivery  
 11 system is believed to reduce the abuse liability of the drug."<sup>56</sup> But as one sales representative told  
 12 a reporter, "I found out pretty fast that it wasn't true."<sup>57</sup> In 2002, former Purdue sales manager  
 13 William Gergely told a Florida state investigator that sales representatives were instructed to say  
 14 that OxyContin was "virtually non-addicting" and "non-habit-forming."<sup>58</sup>

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22 <sup>53</sup> *OxyContin Abuse and Diversion and Efforts to Address the Problem*, *supra* note 30, at 20.

23 <sup>54</sup> Meier, *supra* note 16, at 102.

24 <sup>55</sup> *Id.*

25 <sup>56</sup> Patrick Radden Keefe, *The Family That Built an Empire of Pain*, *New Yorker* (Oct. 30, 2017),  
 26 <https://www.newyorker.com/magazine/2017/10/30/the-family-that-built-an-empire-of-pain>; see also Meier, *supra*  
 note 16, at 102 ("Delayed absorption, as provided by OxyContin tablets, is believed to reduce the abuse liability of  
 the drug.").

<sup>57</sup> Keefe, *supra* note 56.

<sup>58</sup> Fred Schulte and Nancy McVicar, *Oxycontin Was Touted As Virtually Nonaddictive, Newly Released State  
 Records Show*, *Sun Sentinel* (Mar. 6, 2003), [http://articles.sun-sentinel.com/2003-03-06/news/0303051301\\_1\\_purdue-pharma-oxycontin-william-gergely](http://articles.sun-sentinel.com/2003-03-06/news/0303051301_1_purdue-pharma-oxycontin-william-gergely).

1           145. As Shelby Sherman, a Purdue sales representative from 1974 to 1998, told a  
2 reporter regarding OxyContin promotion, “It was sell, sell, sell. We were directed to lie. Why  
3 mince words about it?”<sup>59</sup>

4           146. The Manufacturing Defendants utilized lucrative bonus systems to encourage  
5 their sales representatives to stick to the script and increase opioid sales in their territories.  
6 Purdue paid \$40 million in sales incentive bonuses to its sales representatives in 2001 alone, with  
7 annual bonuses ranging from \$15,000 to nearly \$240,000.<sup>60</sup> The training memo described above,  
8 in keeping with a Wizard of Oz theme, reminded sales representatives: “A pot of gold awaits you  
9 ‘Over the Rainbow’!”<sup>61</sup>

10           147. As noted above, these Defendants have also spent substantial sums to purchase,  
11 manipulate, and analyze prescription data available from IMS Health, which allows them to track  
12 initial prescribing and refill practices by individual doctors, and in turn to customize their  
13 communications with each doctor. The Manufacturing Defendants’ use of this marketing data  
14 was a cornerstone of their marketing plan,<sup>62</sup> and continues to this day.

15           148. The Manufacturing Defendants also aggressively pursued family doctors and  
16 primary care physicians perceived to be susceptible to their marketing campaigns. The  
17 Manufacturing Defendants knew that these doctors relied on information provided by  
18 pharmaceutical companies when prescribing opioids, and that, as general practice doctors seeing  
19 a high volume of patients on a daily basis, they would be less likely to scrutinize the companies’  
20 claims.  
21  
22  
23

24  
25 <sup>59</sup> Glazek, *supra* note 26.

26 <sup>60</sup> Art Van Zee, M.D., *The Promotion and Marketing of OxyContin: Commercial Triumph, Public Health Tragedy*,  
99(2) Am J Public Health 221-27 (Feb. 2009), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2622774/>.

<sup>61</sup> Meier, *supra* note 16, at 103.

<sup>62</sup> Van Zee, *The Promotion and Marketing of OxyContin*, *supra* note 60.

1           149. Furthermore, the Manufacturing Defendants knew or should have known the  
 2 doctors they targeted were often poorly equipped to treat or manage pain comprehensively, as  
 3 they often had limited resources or time to address behavioral or cognitive aspects of pain  
 4 treatment or to conduct the necessary research themselves to determine whether opioids were as  
 5 beneficial as these Defendants claimed. In fact, the majority of doctors and dentists who  
 6 prescribe opioids are not pain specialists. For example, a 2014 study conducted by pharmacy  
 7 benefit manager Express Scripts reviewing narcotic prescription data from 2011 to 2012  
 8 concluded that of the more than 500,000 prescribers of opioids during that time period, *only* 385  
 9 were identified as pain specialists.<sup>63</sup>

11           150. When the Manufacturing Defendants presented these doctors with sophisticated  
 12 marketing material and apparently scientific articles that touted opioids' ability to easily and  
 13 safely treat pain, many of these doctors began to view opioids as an efficient and effective way to  
 14 treat their patients.

16           151. In addition, sales representatives aggressively pushed doctors to prescribe  
 17 stronger doses of opioids. For example, one Purdue sales representative in Florida wrote about  
 18 working for a particularly driven regional manager named Chris Sposato and described how  
 19 Sposato would drill the sales team on their upselling tactics:

21           It went something like this. "Doctor, what is the highest dose of OxyContin you  
 22 have ever prescribed?" "20mg Q12h." "Doctor, if the patient tells you their pain  
 23 score is still high you can increase the dose 100% to 40mg Q12h, will you do that?"  
 24 "Okay." "Doctor, what if that patient then came back and said their pain score was  
 still high, did you know that you could increase the OxyContin dose to 80mg Q12h,  
 would you do that?" "I don't know, maybe." "Doctor, but you do agree that you  
 would at least Rx the 40mg dose, right?" "Yes."

25           The next week the rep would see that same doctor and go through the same  
 26 discussion with the goal of selling higher and higher doses of OxyContin. Miami

<sup>63</sup> *A Nation in Pain*, Express Scripts (Dec. 9, 2014), <http://lab.express-scripts.com/lab/publications/a-nation-in-pain>.



1 District reps have told me that on work sessions with [Sposato] they would sit in  
2 the car and role play for as long as it took until [Sposato] was convinced the rep  
3 was delivering the message with perfection.

4 152. The Manufacturing Defendants used not only incentives but competitive pressure  
5 to push sales representatives into increasingly aggressive promotion. One Purdue sales  
6 representative recalled the following scene: “I remember sitting at a round table with others from  
7 my district in a regional meeting while everyone would stand up and state the highest dose that  
8 they had suckered a doctor to prescribe. The entire region!!”

9 153. The Manufacturing Defendants applied this combination of intense competitive  
10 pressure and lucrative financial incentives because they knew that sales representatives, with  
11 their frequent in-person visits with prescribers, were incredibly effective. In fact, manufacturers’  
12 internal documents reveal that they considered sales representatives their “most valuable  
13 resource.”  
14

15 **2. The Manufacturing Defendants bankrolled seemingly independent “front**  
16 **groups” to promote opioid use and fight restrictions on opioids.**

17 154. The Manufacturing Defendants funded, controlled, and operated third-party  
18 organizations that communicated to doctors, patients, and the public the benefits of opioids to  
19 treat chronic pain. These organizations—also known as “front groups”—appeared independent  
20 and unbiased. But in fact, they were but additional paid mouthpieces for the drug manufacturers.  
21 These front groups published prescribing guidelines, unbranded materials, and other programs  
22 that promoted opioid treatment as a way to address patients’ chronic pain. The front groups  
23 targeted doctors, patients, and lawmakers, all in coordinated efforts to promote opioid  
24 prescriptions.  
25  
26

1           155. The Manufacturing Defendants spent significant financial resources contributing  
2 to and working with these various front groups to increase the number of opioid prescriptions  
3 written.

4           156. The most prominent front group utilized by the Manufacturing Defendants was  
5 the **American Pain Foundation** (APF), which received more than \$10 million from opioid drug  
6 manufacturers, including Defendants, from 2007 through 2012. For example, Purdue contributed  
7 \$1.7 million and Endo also contributed substantial sums to the APF.<sup>64</sup>

8           157. Throughout its existence, APF's operating budget was almost entirely comprised  
9 of contributions from prescription opioid manufacturers. For instance, nearly 90% of APF's \$5  
10 million annual budget in 2010 came from "donations" from some of the Manufacturing  
11 Defendants, and by 2011, APF was entirely dependent on grants from drug manufacturers,  
12 including from Purdue and Endo. Not only did Defendants control APF's purse strings, APF's  
13 board of directors was comprised of doctors who were on Defendants' payrolls, either as  
14 consultants or speakers at medical events.<sup>65</sup>

15           158. Although holding itself out as an independent advocacy group promoting patient  
16 well-being, APF consistently lobbied against federal and state proposals to limit opioid use.

17           159. Another prominent front group was the **American Academy of Pain Medicine**  
18 (AAPM), which has received over \$2.2 million in funding since 2009 from opioid drug  
19 manufacturers, including Defendants. Like APF, AAPM presented itself as an independent and  
20 non-biased advocacy group representing physicians practicing in the field of pain medicine, but  
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26 <sup>64</sup>Charles Ornstein and Tracy Weber, *The Champion of Painkillers*, ProPublica (Dec. 23, 2011, 9:15am),  
<https://www.propublica.org/article/the-champion-of-painkillers>.

<sup>65</sup> *Id.*

1 in fact was just another mouthpiece the Manufacturing Defendants used to push opioids on  
2 doctors and patients.<sup>66</sup>

3 160. Both the APF and the AAPM published treatment guidelines and sponsored and  
4 hosted medical education programs that touted the benefits of opioids to treat chronic pain while  
5 minimizing and trivializing their risks. The treatment guidelines the front groups published—  
6 many of which are discussed in detail below—were particularly important to Defendants in  
7 ensuring widespread acceptance for opioid therapy to treat chronic pain. Defendants realized,  
8 just as the CDC has, that such treatment guidelines can “change prescribing practices,” because  
9 they appear to be unbiased sources of evidence-based information, even when they are in reality  
10 marketing materials.  
11

12 161. For instance, the AAPM, in conjunction with the **American Pain Society** (APS),  
13 issued comprehensive guidelines in 2009 titled “Guideline for the Use of Chronic Opioid  
14 Therapy in Chronic Noncancer Pain – Evidence Review” (“2009 Guidelines”). The 2009  
15 Guidelines promoted opioids as “safe and effective” for treating chronic pain, despite  
16 acknowledging limited evidence to support this statement. Unsurprisingly, the Manufacturing  
17 Defendants have widely referenced and promoted these guidelines, issued by front groups these  
18 Defendants funded and controlled. These 2009 Guidelines are still available online today.<sup>67</sup>  
19  
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21 162. In addition, the Manufacturing Defendants participated in the **Pain Care Forum**,  
22 a coalition of drug makers, trade groups, and nonprofit organizations. From 2006 to 2015,  
23

24 <sup>66</sup> Tracy Weber and Charles Ornstein, *Two Leaders in Pain Treatment Have Long Ties to Drug Industry*, ProPublica  
25 (Dec. 23, 2011, 9:14am), <https://www.propublica.org/article/two-leaders-in-pain-treatment-have-long-ties-to-drug-industry>.

26 <sup>67</sup> *Clinical Guideline for the Use of Chronic Opioid Therapy in Chronic Noncancer Pain*, Am. Pain Soc’y,  
<http://americanpainsociety.org/uploads/education/guidelines/chronic-opioid-therapy-cnccp.pdf> (last visited Mar. 22,  
2018).

1 participants in the Pain Care Forum spent over \$740 million lobbying in the nation's capital and  
 2 in all fifty statehouses on an array of issues, including opioid-related measures. The collective  
 3 spending on lobbying and campaigns amounts to more than two hundred times the \$4 million  
 4 spent during the same period by the handful of groups that work to warn the public about the  
 5 dangers of opioids and lobby for restrictions on painkillers.<sup>68</sup>

7 163. The **Alliance for Patient Access** (APA), discussed above, was established in  
 8 2006, along with the lobbying firm that runs it, Woodberry Associates LLC. The APA describes  
 9 itself as "a national network of physicians dedicated to ensuring patient access to approved  
 10 therapies and appropriate clinical care," but its list of "Associate Members and Financial  
 11 Supporters" contains thirty drug companies, including each of the Manufacturing Defendants  
 12 named in this lawsuit. In addition, the APA's board members include doctors who have received  
 13 hundreds of thousands of dollars in payments from drug companies. As discussed above, the  
 14 APA has been a vocal critic of policies restricting the flow of opioids and has advocated for  
 15 legislation inhibiting the DEA's ability to stop suspicious orders of prescription drugs.

17 164. The "white paper" issued by the APA in 2013 also echoed a favorite narrative of  
 18 the Manufacturing Defendants, the supposed distinction between "legitimate patients" on the one  
 19 hand and "addicts" on the other, asserting that one "unintended consequence" of regulating pain  
 20 medication would be that "[p]atients with legitimate medical needs feel stigmatized, treated like  
 21 addicts."<sup>69</sup>

25 <sup>68</sup> Matthew Perrone and Ben Wieder, *Pro-painkiller echo chamber shaped policy amid drug epidemic*, AP News  
 26 (Sept. 19, 2016), <https://apnews.com/3d257452c24a410f98e8e5a4d9d448a7/pro-painkiller-echo-chamber-shaped-policy-amid-drug>.

<sup>69</sup> *Prescription Pain Medication: Preserving Patient Access While Curbing Abuse*, *supra* note 41.

165. Another group utilized by the Manufacturing Defendants to encourage opioid prescribing practices, a University of Wisconsin-based organization known as the **Pain & Policy Studies Group**, received \$2.5 million from pharmaceutical companies to promote opioid use and discourage the passing of regulations against opioid use in medical practice. The Pain & Policy Studies Group wields considerable influence over the nation's medical schools as well as within the medical field in general.<sup>70</sup> Purdue was the largest contributor to the Pain & Policy Studies Group, paying approximately \$1.6 million between 1999 and 2010.<sup>71</sup>

166. The **Federation of State Medical Boards** (FSMB) of the United States is a national non-profit organization that represents the seventy-state medical and osteopathic boards of the United States and its territories and co-sponsors the United States Medical Licensing Examination. Beginning in 1997, FSMB developed model policy guidelines around the treatment of pain, including opioid use. The original initiative was funded by the Robert Wood Johnson Foundation, but subsequently AAPM, APS, the University of Wisconsin Pain & Policy Studies Group, and the American Society of Law, Medicine, & Ethics all made financial contributions to the project.

167. FSMB's 2004 *Model Policy* encourages state medical boards "to evaluate their state pain policies, rules, and regulations to identify *any regulatory restrictions or barriers that may impede the effective use of opioids* to relieve pain."<sup>72</sup> (Emphasis added).

<sup>70</sup> *The Role of Pharmaceutical Companies in the Opioid Epidemic*, Addictions.com, <https://www.addictions.com/opiate/the-role-of-pharmaceutical-companies-in-the-opioid-epidemic/> (last visited Mar. 22, 2018).

<sup>71</sup> John Fauber, *UW group ends drug firm funds*, Journal Sentinel (Apr. 20, 2011), <http://archive.jsonline.com/watchdog/watchdogreports/120331689.html>.

<sup>72</sup> *Model Policy for the Use of Controlled Substances for the Treatment of Pain*, Fed'n of St. Med. Boards of the U.S., Inc. (May 2004), <http://www.painpolicy.wisc.edu/sites/www.painpolicy.wisc.edu/files/model04.pdf>.

1           168. One of the most significant barriers to convincing doctors that opioids were safe  
2 to prescribe to their patients for long-term treatment of chronic pain was the fact that many of  
3 those patients would, in fact, become addicted to opioids. If patients began showing up at their  
4 doctors' offices with obvious signs of addiction, the doctors would, of course, become concerned  
5 and likely stop prescribing opioids. And, doctors might stop believing the Manufacturing  
6 Defendants' claims that addiction risk was low.

7  
8           169. To overcome this hurdle, the Manufacturing Defendants promoted a concept  
9 called "pseudoaddiction." These Defendants told doctors that when their patients appeared to be  
10 addicted to opioids—for example, asking for more and higher doses of opioids, increasing doses  
11 themselves, or claiming to have lost prescriptions in order to get more opioids—this was not  
12 actual addiction. Rather, the Manufacturing Defendants told doctors what appeared to be classic  
13 signs of addiction were actually just signs of undertreated pain. The solution to this  
14 "pseudoaddiction": more opioids. Instead of warning doctors of the risk of addiction and helping  
15 patients to wean themselves off of powerful opioids and deal with their actual addiction, the  
16 Manufacturing Defendants pushed even more dangerous drugs onto patients.

17  
18           170. The FSMB's *Model Policy* gave a scientific veneer to this fictional and overstated  
19 concept. The policy defines "pseudoaddiction" as "[t]he iatrogenic syndrome resulting from the  
20 misinterpretation of relief seeking behaviors as though they are drug-seeking behaviors that are  
21 commonly seen with addiction" and states that these behaviors "resolve upon institution of  
22 effective analgesic therapy."<sup>73</sup>  
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<sup>73</sup> *Id.*

171. In May 2012, Senate Finance Committee Chairman Max Baucus and senior Committee member Chuck Grassley initiated an investigation into the connections of the Manufacturing Defendants with medical groups and physicians who have advocated increased opioid use.<sup>74</sup> In addition to Purdue, Endo, and Janssen, the senators sent letters to APF, APS, AAPM, FSMB, the University of Wisconsin Pain & Policy Studies Group, the Joint Commission on Accreditation of Healthcare Organization, and the Center for Practical Bioethics, requesting from each “a detailed account of all payments/transfers received from corporations and any related corporate entities and individuals that develop, manufacture, produce, market, or promote the use of opioid-based drugs from 1997 to the present.”<sup>75</sup>

172. On the same day as the senators’ investigation began, APF announced that it would “cease to exist, effective immediately.”<sup>76</sup>

**3. “It was pseudoscience”: the Manufacturing Defendants paid prominent physicians to promote their products.**

173. The Manufacturing Defendants retained highly credentialed medical professionals to promote the purported benefits and minimal risks of opioids. Known as “Key Opinion Leaders” or “KOLs,” these medical professionals were often integrally involved with the front groups described above. The Manufacturing Defendants paid these KOLs substantial amounts to present at Continuing Medical Education (“CME”) seminars and conferences, and to serve on their advisory boards and on the boards of the various front groups.

<sup>74</sup> Baucus, Grassley Seek Answers about Opioid Manufacturers’ Ties to Medical Groups, U.S. Senate Comm. on Fin. (May 8, 2012), <https://www.finance.senate.gov/chairmans-news/baucus-grassley-seek-answers-about-opioid-manufacturers-ties-to-medical-groups>.

<sup>75</sup> Letter from U.S. Senate Comm. on Fin. to Am. Pain Found. (May 8, 2012), <https://www.finance.senate.gov/imo/media/doc/05092012%20Baucus%20Grassley%20Opioid%20Investigation%20Letter%20to%20American%20Pain%20Foundation2.pdf>.

<sup>76</sup> Charles Ornstein and Tracy Weber, *American Pain Foundation Shuts Down as Senators Launch Investigation of Prescription Narcotics*, ProPublica (May 8, 2012, 8:57pm), <https://www.propublica.org/article/senate-panel-investigates-drug-company-ties-to-pain-groups>.

174. The Manufacturing Defendants also identified doctors to serve as speakers or attend all-expense-paid trips to programs with speakers.<sup>77</sup> The Manufacturing Defendants used these trips and programs—many of them lavish affairs—to incentivize the use of opioids while downplaying their risks, bombarding doctors with messages about the safety and efficacy of opioids for treating long-term pain. Although often couched in scientific certainty, the Manufacturing Defendants’ messages were false and misleading, and helped to ensure that millions of Americans would be exposed to the profound risks of these drugs.

175. It is well documented that this type of pharmaceutical company symposium influences physicians’ prescribing, even though physicians who attend such symposia believe that such enticements do not alter their prescribing patterns.<sup>78</sup> For example, doctors who were invited to these all-expenses-paid weekends in resort locations like Boca Raton, Florida, and Scottsdale, Arizona, wrote twice as many prescriptions as those who did not attend.<sup>79</sup>

176. The KOLs gave the impression they were independent sources of unbiased information, while touting the benefits of opioids through their presentations, articles, and books. KOLs also served on committees and helped develop guidelines such as the 2009 Guidelines described above that strongly encouraged the use of opioids to treat chronic pain.

177. One of the most prominent KOLs for the Manufacturing Defendants’ opioids was Dr. Russell Portenoy. A respected leader in the field of pain treatment, Dr. Portenoy was highly influential. Dr. Andrew Kolodny, cofounder of Physicians for Responsible Opioid Prescribing, described him “lecturing around the country as a religious-like figure. The megaphone for

<sup>77</sup> Van Zee, *The Promotion and Marketing of OxyContin*, *supra* note 60.

<sup>78</sup> *Id.*

<sup>79</sup> Harriet Ryan, Lisa Girion and Scott Glover, *OxyContin goes global — “We’re only just getting started”*, Los Angeles Times (Dec. 18, 2016), <http://www.latimes.com/projects/la-me-oxycontin-part3/>.



1 Portenoy is Purdue, which flies in people to resorts to hear him speak. It was a compelling  
 2 message: ‘Docs have been letting patients suffer; nobody really gets addicted; it’s been  
 3 studied.’”<sup>80</sup>

4 178. As one organizer of CME seminars, who worked with Portenoy and Purdue,  
 5 pointed out, “had Portenoy not had Purdue’s money behind him, he would have published some  
 6 papers, made some speeches, and his influence would have been minor. With Purdue’s millions  
 7 behind him, his message, which dovetailed with their marketing plans, was hugely magnified.”<sup>81</sup>

8 179. In recent years, some of the Manufacturing Defendants’ KOLs have conceded that  
 9 many of their past claims in support of opioid use lacked evidence or support in the scientific  
 10 literature.<sup>82</sup> Dr. Portenoy himself specifically admitted that he overstated the drugs’ benefits and  
 11 glossed over their risks, and that he “gave innumerable lectures in the late 1980s and ‘90s about  
 12 addiction that weren’t true.”<sup>83</sup> He mused, “Did I teach about pain management, specifically about  
 13 opioid therapy, in a way that reflects misinformation? Well, against the standards of 2012, I  
 14 guess I did . . . We didn’t know then what we know now.”<sup>84</sup>

15 180. Dr. Portenoy did not need “the standards of 2012” to discern evidence-based  
 16 science from baseless claims, however. When interviewed by journalist Barry Meier for his 2003  
 17 book, *Pain Killer*, Dr. Portenoy was more direct: “It was pseudoscience. I guess I’m going to  
 18 have always to live with that one.”<sup>85</sup>

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 22 <sup>80</sup> Quinones, *supra* note 42, at 314.

23 <sup>81</sup> *Id.* at 136.

24 <sup>82</sup> See, e.g., John Fauber, *Painkiller boom fueled by networking*, Journal Sentinel (Feb. 18, 2012),  
<http://archive.jsonline.com/watchdog/watchdogreports/painkiller-boom-fueled-by-networking-dp3p2rn-139609053.html/> (finding that a key Endo KOL acknowledged that opioid marketing went too far).

25 <sup>83</sup> Thomas Catan and Evan Perez, *A Pain-Drug Champion Has Second Thoughts*, Wall Street Journal (Dec. 17,  
 26 2012, 11:36am), <https://www.wsj.com/articles/SB10001424127887324478304578173342657044604>.

<sup>84</sup> *Id.*

<sup>85</sup> Meier, *supra* note 16, at 277.

181. Dr. Portenoy was perhaps the most prominent KOL for prescription opioids, but he was far from the only one. In fact, Dr. Portenoy and a doctor named Perry Fine co-wrote *A Clinical Guide to Opioid Analgesia*, which contained statements that conflict with the CDC's 2016 *Guideline for Prescribing Opioids for Chronic Pain*, such as the following examples regarding respiratory depression and addiction:

At clinically appropriate doses, . . . respiratory rate typically does not decline. Tolerance to the respiratory effects usually develops quickly, and doses can be steadily increased without risk.

Overall, the literature provides evidence that the outcomes of drug abuse and addiction are rare among patients who receive opioids for a short period (ie, for acute pain) and among those with no history of abuse who receive long-term therapy for medical indications.<sup>86</sup>

182. Dr. Fine is a Professor of Anesthesiology at the University of Utah School of Medicine's Pain Research Center. He has served on Purdue's advisory board, provided medical legal consulting for Janssen, and participated in CME activities for Endo, along with serving in these capacities for several other drug companies. He co-chaired the APS-AAPM Opioid Guideline Panel, served as treasurer of the AAPM from 2007 to 2010 and as president of that group from 2011 to 2013, and was also on the board of directors of APF.<sup>87</sup>

183. In 2011, he and Dr. Scott Fishman, discussed below, published a letter in *JAMA* called "Reducing Opioid Abuse and Diversion," which emphasized the importance of maintaining patient access to opioids.<sup>88</sup> The editors of *JAMA* found that both doctors had

<sup>86</sup> Perry G. Fine, MD and Russell K. Portenoy, MD, *A Clinical Guide to Opioid Analgesia* 20 and 34, McGraw-Hill Companies (2004), <http://www.thblack.com/links/RSD/OpioidHandbook.pdf>.

<sup>87</sup> Scott M. Fishman, MD, *Incomplete Financial Disclosures in a Letter on Reducing Opioid Abuse and Diversion*, 306 (13) *JAMA* 1445 (Sept. 20, 2011), <https://jamanetwork.com/journals/jama/article-abstract/1104464?redirect=true>.

<sup>88</sup> Perry G. Fine, MD and Scott M. Fishman, MD, *Reducing Opioid Abuse and Diversion*, 306 (4) *JAMA* 381 (July 27, 2011), <https://jamanetwork.com/journals/jama/article-abstract/1104144?redirect=true>.

1 provided incomplete financial disclosures and made them submit corrections listing all of their  
 2 ties to the prescription painkiller industry.<sup>89</sup>

3 184. Dr. Fine also failed to provide full disclosures as required by his employer, the  
 4 University of Utah. For example, Dr. Fine told the university that he had received under \$5,000  
 5 in 2010 from Johnson & Johnson for providing “educational” services, but Johnson & Johnson’s  
 6 website states that the company paid him \$32,017 for consulting, promotional talks, meals and  
 7 travel that year.<sup>90</sup>

9 185. In 2012, along with other KOLs, Dr. Fine was investigated for his ties to drug  
 10 companies as part of the Senate investigation of front groups described above. When Marianne  
 11 Skolek, a reporter for the online news outlet Salem-News.com and a critic of opioid overuse,  
 12 wrote an article about him and another KOL being investigated, Dr. Fine fired back, sending a  
 13 letter to her editor accusing her of poor journalism and saying that she had lost whatever  
 14 credibility she may have had. He criticized her for linking him to Purdue, writing, “I have never  
 15 had anything to do with Oxycontin development, sales, marketing or promotion; I have never  
 16 been a Purdue Pharma speaker”—neglecting to mention, of course, that he served on Purdue’s  
 17 advisory board, as the *JAMA* editors had previously forced him to disclose.<sup>91</sup>

19 186. Another Utah physician, Dr. Lynn Webster, was the director of Lifetree Clinical  
 20 Research & Pain Clinic in Salt Lake City from 1990 to 2010, and in 2013 was the president of  
 21 AAPM (one of the front groups discussed above). Dr. Webster developed a five-question survey  
 22 he called the Opioid Risk Tool, which he asserted would “predict accurately which individuals  
 23

24  
 25 <sup>89</sup> *Incomplete Financial Disclosures in: Reducing Opioid Abuse and Diversion*, 306 (13) JAMA 1446 (Oct. 5,  
 2011), <https://jamanetwork.com/journals/jama/fullarticle/1104453>.

26 <sup>90</sup> Weber and Ornstein, *Two Leaders in Pain Treatment*, *supra* note 66.

<sup>91</sup> Marianne Skolek, *Doctor Under Senate Investigation Lashes Out at Journalist*, Salem News (Aug. 12, 2012,  
 8:45pm), <http://www.salem-news.com/articles/august122012/perry-fine-folo-ms.php>.

1 may develop aberrant behaviors when prescribed opioids for chronic pain.”<sup>92</sup> He published  
 2 books titled *The Painful Truth: What Chronic Pain Is Really Like and Why It Matters to Each of*  
 3 *Us* and *Avoiding Opioid Abuse While Managing Pain*.

4 187. Dr. Webster and the Lifetree Clinic were investigated by the DEA for  
 5 overprescribing opioids after twenty patients died from overdoses. In keeping with the opioid  
 6 industry’s promotional messages, Dr. Webster apparently believed the solution to patients’  
 7 tolerance or addictive behaviors was more opioids: he prescribed staggering quantities of pills.  
 8 Tina Webb, a Lifetree patient who overdosed in 2007, was taking as many as thirty-two pain  
 9 pills a day in the year before she died, all while under doctor supervision.<sup>93</sup> Carol Ann Bosley,  
 10 who sought treatment for pain at Lifetree after a serious car accident and multiple spine  
 11 surgeries, quickly became addicted to opioids and was prescribed increasing quantities of pills; at  
 12 the time of her death, she was on seven different medications totaling approximately 600 pills a  
 13 month.<sup>94</sup> Another woman, who sought treatment from Lifetree for chronic low back pain and  
 14 headaches, died at age forty-two after Lifetree clinicians increased her prescriptions to fourteen  
 15 different drugs, including multiple opioids, for a total of 1,158 pills a month.<sup>95</sup>

16 188. By these numbers, Lifetree resembles the pill mills and “bad actors” that the  
 17 Manufacturing Defendants blame for opioid overuse. But Dr. Webster was an integral part of  
 18 Defendants’ marketing campaigns, a respected pain specialist who authored numerous CMEs  
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23 <sup>92</sup> Lynn Webster and RM Webster, *Predicting aberrant behaviors in opioid-treated patients: preliminary validation*  
 24 *of the Opioid Risk Tool* 6 (6) Pain Med. 432 (Nov.-Dec. 2005), <https://www.ncbi.nlm.nih.gov/pubmed/16336480>.

25 <sup>93</sup> Jesse Hyde and Daphne Chen, *The untold story of how Utah doctors and Big Pharma helped drive the national*  
*opioid epidemic*, Deseret News (Oct. 26, 2017, 12:01am), [https://www.deseretnews.com/article/900002328/the-](https://www.deseretnews.com/article/900002328/the-untold-story-of-how-utah-doctors-and-big-pharma-helped-drive-the-national-opioid-epidemic.html)  
 26 [untold-story-of-how-utah-doctors-and-big-pharma-helped-drive-the-national-opioid-epidemic.html](https://www.deseretnews.com/article/900002328/the-untold-story-of-how-utah-doctors-and-big-pharma-helped-drive-the-national-opioid-epidemic.html).

<sup>94</sup> Stephanie Smith, *Prominent pain doctor investigated by DEA after patient deaths*, CNN (Dec. 20, 2013, 7:06am),  
<http://www.cnn.com/2013/12/20/health/pain-pillar/index.html>.

<sup>95</sup> *Id.*

1 sponsored by Endo and Purdue. And the Manufacturing Defendants promoted his Opioid Risk  
 2 Tool and similar screening questionnaires as measures that allow powerful opioids to be  
 3 prescribed for chronic pain.

4 189. Even in the face of patients' deaths, Dr. Webster continues to promote a pro-  
 5 opioid agenda, even asserting that alternatives to opioids are risky because "[i]t's not hard to  
 6 overdose on NSAIDs or acetaminophen."<sup>96</sup> He argued on his website in 2015 that DEA  
 7 restrictions on the accessibility of hydrocodone harm patients, and in 2017 tweeted in response to  
 8 CVS Caremark's announcement that it will limit opioid prescriptions that "CVS Caremark's new  
 9 opioid policy is wrong, and it won't stop illegal drugs."<sup>97</sup>

10 190. Another prominent KOL is Dr. Scott M. Fishman, the Chief of the Department of  
 11 Pain Medicine at University of California, Davis. He has served as president of APF and AAPM,  
 12 and as a consultant and a speaker for Purdue, in addition to providing the company grant and  
 13 research support. He also has had financial relationships with Endo and Janssen. He wrote a  
 14 book for the FSMB called *Responsible Opioid Use: A Physician's Guide*, which was distributed  
 15 to over 165,000 physicians in the U.S.

16 191. Dr. Fishman and Dr. Fine, along with Dr. Seddon Savage, published an editorial  
 17 in the Seattle Times in 2010, arguing that Washington legislation proposed to combat  
 18 prescription opioid abuse would harm patients, in particular by requiring chronic pain patients to  
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25 <sup>96</sup> APF releases opioid medication safety module, Drug Topics (May 10, 2011),  
 26 <http://drugtopics.modernmedicine.com/drug-topics/news/modernmedicine/modern-medicine-news/apf-releases-opioid-medication-safety-module>.

<sup>97</sup> Lynn Webster, MD (@LynnRWebsterMD), Twitter (Dec. 7, 2017, 5:45pm),  
<https://twitter.com/LynnRWebsterMD/status/938887130545360898>.

1 consult with a pain specialist before receiving a prescription for a moderate to high dose of an  
2 opioid.<sup>98</sup>

3 192. These KOLs and others—respected specialists in pain medicine—proved to be  
4 highly effective spokespeople for the Manufacturing Defendants.

5 **4. The Manufacturing Defendants used “unbranded” advertising as a platform**  
6 **for their misrepresentations about opioids.**

7 193. The Manufacturing Defendants also aggressively promoted opioids through  
8 “unbranded advertising” to generally tout the benefits of opioids without specifically naming a  
9 particular brand of opioid. A trick often used by pharmaceutical companies, unbranded  
10 marketing is not typically reviewed by the FDA, giving the pharmaceutical companies  
11 considerable leeway to make sweeping claims about types of drugs. Conversely, branded  
12 marketing, which identifies and promotes a specific drug, is subject to FDA review for  
13 consistency with the drug’s label and adequate presentation of risk and benefits.  
14

15 194. By engaging in unbranded advertising, the Manufacturing Defendants were and  
16 are able to avoid FDA review and issue general statements to the public including that opioids  
17 improve function, that addiction usually does not occur, and that withdrawal can easily be  
18 managed.  
19

20 195. Through the various marketing channels described above—all of which the  
21 Manufacturing Defendants controlled, funded, and facilitated, and for which they are legally  
22 responsible—these Defendants made false or misleading statements about opioids despite the  
23  
24  
25

26 <sup>98</sup> Perry G. Fine, Scott M. Fishman, and Seddon R. Savage, *Bill to combat prescription abuse really will harm patients in pain*, Seattle Times (Mar. 16, 2010, 4:39pm),  
[http://old.seattletimes.com/html/opinion/2011361572\\_guest17fine.html](http://old.seattletimes.com/html/opinion/2011361572_guest17fine.html).

1 lack of scientific evidence to support their claims, while omitting the true risk of addiction and  
 2 death.

3 **D. Specific Misrepresentations Made by the Manufacturing Defendants.**

4 196. All the Manufacturing Defendants have made and/or continue to make false or  
 5 misleading claims in the following areas: (1) the low risk of addiction to opioids, (2) opioids'  
 6 efficacy for chronic pain and ability to improve patients' quality of life with long-term use, (3)  
 7 the lack of risk associated with higher dosages of opioids, (4) the need to prescribe more opioids  
 8 to treat withdrawal symptoms, and (5) that risk-mitigation strategies and abuse-deterrent  
 9 technologies allow doctors to safely prescribe opioids for chronic use. These illustrative but non-  
 10 exhaustive categories of the Manufacturing Defendants' misrepresentations about opioids are  
 11 described in detail below.  
 12

13 **1. The Manufacturing Defendants falsely claimed that the risk of opioid abuse**  
 14 **and addiction was low.**

15 197. Collectively, the Manufacturing Defendants have made a series of false and  
 16 misleading statements about the low risk of addiction to opioids over the past twenty years. The  
 17 Manufacturing Defendants have also failed to take sufficient remedial measures to correct their  
 18 false and misleading statements.  
 19

20 198. The Manufacturing Defendants knew that many physicians were hesitant to  
 21 prescribe opioids other than for acute or cancer-related pain because of concerns about addiction.  
 22 Because of this general perception, sales messaging about the low risk of addiction was a  
 23 fundamental prerequisite misrepresentation.

24 199. Purdue launched OxyContin in 1996 with the statement that OxyContin's  
 25 patented continuous-release mechanism "is believed to reduce the abuse liability." This  
 26 statement, which appeared in OxyContin's label and which sales representatives were taught to

1 repeat verbatim, was unsupported by any studies, and was patently false. The continuous-release  
2 mechanism was simple to override, and the drug correspondingly easy to abuse. This fact was  
3 known, or should have been known, to Purdue prior to its launch of OxyContin, because people  
4 had been circumventing the same continuous-release mechanism for years with MS Contin,  
5 which in fact commanded a high street price because of the dose of pure narcotic it delivered. In  
6 addition, with respect to OxyContin, Purdue researchers notified company executives, including  
7 Raymond and Richard Sackler, by email that patients in their clinical trials were abusing the drug  
8 despite the timed-release mechanism.<sup>99</sup>

10 200. In 2007, as noted above, Purdue pleaded guilty to misbranding a drug, a felony  
11 under the Food, Drug, and Cosmetic Act. 21 U.S.C. § 331(a)(2). As part of its guilty plea,  
12 Purdue agreed that certain Purdue supervisors and employees had, “with the intent to defraud or  
13 mislead, marketed and promoted OxyContin as less addictive, less subject to abuse and  
14 diversion, and less likely to cause tolerance and withdrawal than other pain medications” in the  
15 following ways:

17 Trained PURDUE sales representatives and told some health care providers that it  
18 was more difficult to extract the oxycodone from an OxyContin tablet for the  
19 purpose of intravenous abuse, although PURDUE’s own study showed that a drug  
20 abuser could extract approximately 68% of the oxycodone from a single 10mg  
OxyContin tablet by crushing the tablet, stirring it in water, and drawing the  
solution through cotton into a syringe;

21 Told PURDUE sales representatives they could tell health care providers that  
22 OxyContin potentially creates less chance for addiction than immediate-release  
opioids;

23 Sponsored training that taught PURDUE sales supervisors that OxyContin had  
24 fewer “peak and trough” blood level effects than immediate-release opioids  
25 resulting in less euphoria and less potential for abuse than short-acting opioids;

26  

---

<sup>99</sup> WBUR On Point interview, *supra* note 21.



1 Told certain health care providers that patients could stop therapy abruptly without  
 2 experiencing withdrawal symptoms and that patients who took OxyContin would  
 not develop tolerance to the drug; and

3 Told certain health care providers that OxyContin did not cause a “buzz” or  
 4 euphoria, caused less euphoria, had less addiction potential, had less abuse  
 5 potential, was less likely to be diverted than immediate-release opioids, and could  
 be used to “weed out” addicts and drug seekers.<sup>100</sup>

6 201. All of these statements were false and misleading. But Purdue had not stopped  
 7 there. Purdue—and later the other Defendants—manipulated scientific research and utilized  
 8 respected physicians as paid spokespeople to convey its misrepresentations about low addiction  
 9 risk in much more subtle and pervasive ways, so that the idea that opioids used for chronic pain  
 10 posed a low addiction risk became so widely accepted in the medical community that Defendants  
 11 were able to continue selling prescription opioids for chronic pain—even after Purdue’s criminal  
 12 prosecution.  
 13

14 202. When it launched OxyContin, Purdue knew it would need data to overcome  
 15 decades of wariness regarding opioid use. It needed some sort of research to back up its  
 16 messaging. But Purdue had not conducted any studies about abuse potential or addiction risk as  
 17 part of its application for FDA approval for OxyContin. Purdue (and, later, the other Defendants)  
 18 found this “research” in the form of a one-paragraph letter to the editor published in the *New*  
 19 *England Journal of Medicine* (NEJM) in 1980.  
 20

21 203. This letter, by Dr. Hershel Jick and Jane Porter, declared the incidence of  
 22 addiction “rare” for patients treated with opioids.<sup>101</sup> They had analyzed a database of hospitalized  
 23 patients who were given opioids in a controlled setting to ease suffering from acute pain. These  
 24

25 <sup>100</sup> *United States v. Purdue Frederick Co.*, *supra* note 25; *see also*, Plea Agreement, *United States v. Purdue*  
 26 *Frederick Co.*, No. 1:07-cr-00029 (W.D. Va. May 10, 2007).

<sup>101</sup> Jane Porter and Herschel Jick, MD, *Addiction Rare in Patients Treated with Narcotics*, 302(2) N Engl J Med.  
 123 (Jan. 10, 1980), <http://www.nejm.org/doi/pdf/10.1056/NEJM198001103020221>.

1 patients were not given long-term opioid prescriptions or provided opioids to administer to  
 2 themselves at home, nor was it known how frequently or infrequently and in what doses the  
 3 patients were given their narcotics. Rather, it appears the patients were treated with opioids for  
 4 short periods of time under in-hospital doctor supervision.

6 **ADDICTION RARE IN PATIENTS TREATED  
 WITH NARCOTICS**

7 *To the Editor:* Recently, we examined our current files to deter-  
 8 mine the incidence of narcotic addiction in 39,946 hospitalized  
 9 medical patients<sup>1</sup> who were monitored consecutively. Although  
 10 there were 11,882 patients who received at least one narcotic prep-  
 11 aration, there were only four cases of reasonably well documented  
 addiction in patients who had no history of addiction. The addic-  
 tion was considered major in only one instance. The drugs im-  
 12 plicated were meperidine in two patients,<sup>2</sup> Percodan in one, and  
 hydromorphone in one. We conclude that despite widespread use of  
 narcotic drugs in hospitals, the development of addiction is rare in  
 medical patients with no history of addiction.

12 JANE PORTER  
 13 HERSHEL JICK, M.D.  
 Boston Collaborative Drug  
 Surveillance Program

14 Waltham, MA 02154

Boston University Medical Center

- 15 1. Jick H, Miettinen OS, Shapiro S, Lewis GP, Siskind Y, Slone D.  
 Comprehensive drug surveillance. JAMA. 1970; 213:1455-60.  
 16 2. Miller RR, Jick H. Clinical effects of meperidine in hospitalized medical  
 patients. J Clin Pharmacol. 1978; 18:180-8.

17 204. As Dr. Jick explained to a journalist years later, he submitted the statistics to  
 18 NEJM as a letter because the data were not robust enough to be published as a study, and that  
 19 one could not conclude anything about long-term use of opioids from his figures.<sup>102</sup> Dr. Jick also  
 20 recalled that no one from drug companies or patient advocacy groups contacted him for more  
 21 information about the data.<sup>103</sup>

23 205. Nonetheless, the Manufacturing Defendants regularly invoked this letter as proof  
 24 of the low addiction risk in connection with taking opioids despite its obvious shortcomings.

26 <sup>102</sup> Meier, *supra* note 16, at 174.

<sup>103</sup> *Id.*

1 These Defendants' egregious misrepresentations based on this letter included claims that *less*  
 2 *than one percent* of opioid users become addicted.

3 206. The limited facts of the study did not deter the Manufacturing Defendants from  
 4 using it as definitive proof of opioids' safety. The enormous impact of the Manufacturing  
 5 Defendants' misleading amplification of this letter was well documented in another letter  
 6 published in NEJM on June 1, 2017, describing the way the one-paragraph 1980 letter had been  
 7 irresponsibly cited and in some cases "grossly misrepresented." In particular, the authors of this  
 8 letter explained:  
 9

10 [W]e found that a five-sentence letter published in the *Journal* in 1980 was heavily and  
 11 uncritically cited as evidence that addiction was rare with long-term opioid therapy. We  
 12 believe that this citation pattern contributed to the North American opioid crisis by helping  
 13 to shape a narrative that allayed prescribers' concerns about the risk of addiction associated  
 14 with long-term opioid therapy . . . <sup>104</sup>

15 207. Unfortunately, by the time of this analysis and the CDC's findings in 2016, the  
 16 damage had already been done. "It's difficult to overstate the role of this letter," said Dr. David  
 17 Juurlink of the University of Toronto, who led the analysis. "It was the key bit of literature that  
 18 helped the opiate manufacturers convince front-line doctors that addiction is not a concern."<sup>105</sup>

19 208. The Manufacturing Defendants successfully manipulated the 1980 Porter and Jick  
 20 letter as the "evidence" supporting their fundamental misrepresentation that the risk of opioid  
 21 addiction was low when opioids were prescribed to treat pain. For example, in its 1996 press  
 22 release announcing the release of OxyContin, Purdue advertised that the "fear of addiction is  
 23 exaggerated" and quoted the chairman of the American Pain Society Quality of Care Committee,  
 24

25 <sup>104</sup> Pamela T.M. Leung, B.Sc. Pharm., Erin M. Macdonald, M.Sc., Matthew B. Stanbrook, M.D., Ph.D., Irfan Al  
 26 Dhalla, M.D., David N. Juurlink, M.D., Ph.D., *A 1980 Letter on the Risk of Opioid Addiction*, 376 N Engl J Med  
 2194-95 (June 1, 2017), <http://www.nejm.org/doi/full/10.1056/NEJMc1700150#t=article>.

<sup>105</sup> *Painful words: How a 1980 letter fueled the opioid epidemic*, STAT News (May 31, 2017),  
<https://www.statnews.com/2017/05/31/opioid-epidemic-nejm-letter/>.

1 who claimed that “there is very little risk of addiction from the proper uses of these [opioid]  
2 drugs for pain relief.”<sup>106</sup>

3  
4 PR Newswire

5 May 31, 1996, Friday - 15:47 Eastern Time

6 **NEW HOPE FOR MILLIONS OF AMERICANS SUFFERING FROM**  
7 **PERSISTENT**

8 **The fear of addiction is exaggerated.**

9 One cause of patient resistance to appropriate pain treatment -- the  
10 fear of addiction -- is largely unfounded. According to Dr. Max,  
11 "Experts agree that most pain caused by surgery or cancer can be  
relieved, primarily by carefully adjusting the dose of opioid  
(narcotic) pain reliever to each patient's need, and that there is very  
little risk of addiction from the proper uses of these drugs for pain  
relief."

12 Paul D. Goldenheim, M.D., Vice President of **Purdue Pharma** L.P. in  
13 Norwalk, Connecticut, agrees with this assessment. "Proper use of  
14 medication is an essential weapon in the battle against persistent  
pain. But too often fear, misinformation and poor communication stand  
in the way of their legitimate use."

15 209. Dr. Portenoy, the Purdue KOL mentioned previously, also stated in a promotional  
16 video from the 1990s that “the likelihood that the treatment of pain using an opioid drug which is  
17 prescribed by a doctor will lead to addiction is extremely low.”<sup>107</sup>  
18  
19  
20  
21  
22  
23  
24

25 <sup>106</sup> Press Release, OxyContin, *New Hope for Millions of Americans Suffering from Persistent Pain: Long-Acting*  
26 *OxyContin Tablets Now Available to Relieve Pain* (May 31, 1996, 3:47pm),  
<http://documents.latimes.com/oxycontin-press-release-1996/>.

<sup>107</sup> Catan and Perez, *supra* note 83.



210. Purdue also specifically used the Porter and Jick letter in its 1998 promotional video, “I got my life back,” in which Dr. Alan Spanos says, “In fact, the rate of addiction amongst pain patients who are treated by doctors is *much less than 1%*.”<sup>108</sup>



211. The Porter and Jick letter was also used on Purdue’s “Partners Against Pain” website, which was available in the early 2000s, where Purdue claimed that the addiction risk with OxyContin was very low.<sup>109</sup>

<sup>108</sup> Our Amazing World, *Purdue Pharma OxyContin Commercial*, <https://www.youtube.com/watch?v=Er78Dj5hyeI> (last visited Mar. 22, 2018) (emphasis added).

<sup>109</sup> Van Zee, *The Promotion and Marketing of OxyContin*, *supra* note 60.

1           212. The Porter and Jick letter was used frequently in literature given to prescribing  
2 physicians and to patients who were prescribed OxyContin.<sup>110</sup>

3           213. In addition to the Porter and Jick letter, the Manufacturing Defendants  
4 exaggerated the significance of a study published in 1986 regarding cancer patients treated with  
5 opioids. Conducted by Dr. Portenoy and another pain specialist, Dr. Kathleen Foley, the study  
6 involved only 38 patients, who were treated for non-malignant cancer pain with low doses of  
7 opioids (the majority were given less than 20 MME/day, the equivalent of only 13 mg of  
8 oxycodone).<sup>111</sup> Of these 38 patients, only two developed problems with opioid abuse, and Dr.  
9 Portenoy and Dr. Foley concluded that “opioid maintenance therapy can be a safe, salutary and  
10 more humane alternative to the options of surgery or no treatment in those patients with  
11 intractable non-malignant pain and no history of drug abuse.”<sup>112</sup> Notwithstanding the small  
12 sample size, low doses of opioids involved, and the fact that all the patients were cancer patients,  
13 the Manufacturing Defendants used this study as “evidence” that high doses of opioids were safe  
14 for the treatment of chronic non-cancer pain.  
15  
16

17           214. The Manufacturing Defendants’ repeated misrepresentations about the low risk of  
18 opioid addiction were so effective that this concept became part of the conventional wisdom. Dr.  
19 Nathaniel Katz, a pain specialist, recalls learning in medical school that previous fears about  
20 addiction were misguided, and that doctors should feel free to allow their patients the pain relief  
21 that opioids can provide. He did not question this until one of his patients died from an overdose.  
22  
23

24 <sup>110</sup> Art Van Zee, M.D., *The OxyContin Abuse Problem: Spotlight on Purdue Pharma’s Marketing* (Aug. 22, 2001),  
25 <https://web.archive.org/web/20170212210143/https://www.fda.gov/ohrms/dockets/dockets/01n0256/c000297-A.pdf>.

26 <sup>111</sup> Russell K. Portenoy and Kathleen M. Foley, *Chronic Use of Opioid Analgesics in Non-Malignant Pain: Report of 38 Cases*, 25 Pain 171-86 (1986), <https://www.ncbi.nlm.nih.gov/pubmed/2873550>.

<sup>112</sup> *Id.*

1 Then, he searched the medical literature for evidence of the safety and efficacy of opioid  
 2 treatment for chronic pain. “There’s not a shred of research on the issue. All these so-called  
 3 experts in pain are dedicated and have been training me that opioids aren’t as addictive as we  
 4 thought. But what is that based on? It was based on nothing.”<sup>113</sup>

5 215. At a hearing before the House of Representatives’ Subcommittee on Oversight  
 6 and Investigations of the Committee on Energy and Commerce in August 2001, Purdue  
 7 continued to emphasize “legitimate” treatment, dismissing cases of overdose and death as  
 8 something that would not befall “legitimate” patients: “Virtually all of these reports involve  
 9 people who are abusing the medication, not patients with legitimate medical needs under the  
 10 treatment of a healthcare professional.”<sup>114</sup>

11 216. Purdue spun this baseless “legitimate use” distinction out even further in a patient  
 12 brochure about OxyContin, called “A Guide to Your New Pain Medicine and How to Become a  
 13 Partner Against Pain.” In response to the question, “Aren’t opioid pain medications like  
 14 OxyContin Tablets ‘addicting’? Even my family is concerned about this,” Purdue claimed that  
 15 there was no need to worry about addiction if taking opioids for legitimate, “medical” purposes:  
 16

17 Drug addiction means using a drug to get “high” rather than to relieve pain. You  
 18 are taking opioid pain medication for medical purposes. The medical purposes are  
 19 clear and the effects are beneficial, not harmful.

20 217. Similarly, Dr. David Haddox, Senior Medical Director for Purdue, cavalierly  
 21 stated, “[w]hen this medicine is used appropriately to treat pain under a doctor’s care, it is not  
 22  
 23  
 24

25 <sup>113</sup> Quinones, *supra* note 42, at 188-89.

26 <sup>114</sup> *Oxycontin: Its Use and Abuse: Hearing Before the H. Subcomm. on Oversight and Investigations of the Comm. on Energy and Commerce*, 107th Cong. 1 (Aug. 28, 2001) (statement of Michael Friedman, Executive Vice President, Chief Operating Officer, Purdue Pharma, L.P.), <https://www.gpo.gov/fdsys/pkg/CHRG-107hhrg75754/html/CHRG-107hhrg75754.htm>.



1 only effective, it is safe.”<sup>115</sup> He went so far as to compare OxyContin to celery, because even  
 2 celery would be harmful if injected: “If I gave you a stalk of celery and you ate that, it would be  
 3 healthy for you. But if you put it in a blender and tried to shoot it into your veins, it would not be  
 4 good.”<sup>116</sup>

5  
 6 218. Purdue sales representatives also repeated these misstatements regarding the low  
 7 risk for addiction to doctors across the country.<sup>117</sup> Its sales representatives targeted primary care  
 8 physicians in particular, downplaying the risk of addiction and, as one doctor observed,  
 9 “promot[ing] among primary care physicians a more liberal use of opioids.”<sup>118</sup>

10 219. Purdue sales representatives were instructed to “distinguish between iatrogenic  
 11 addiction (<1% of patients) and substance abusers/diversion (about 10% of the population abuse  
 12 something: weed; cocaine; heroin; alcohol; valium; etc.).”<sup>119</sup>

13  
 14 220. Purdue also marketed OxyContin for a wide variety of conditions and to doctors  
 15 who were not adequately trained in pain management.<sup>120</sup>

16 221. As of 2003, Purdue’s Patient Information guide for OxyContin contained the  
 17 following language regarding addiction:

18 Concerns about abuse, addiction, and diversion should not prevent the proper management of pain.  
 19 The development of addiction to opioid analgesics in properly managed patients with pain has been  
 20 reported to be rare. However, data are not available to establish the true incidence of addiction in  
 21 chronic pain patients.

22  
 23  
 24 <sup>115</sup> Roger Alford, *Deadly OxyContin abuse expected to spread in the U.S.*, Charleston Gazette, Feb. 9, 2001.

<sup>116</sup> *Id.*

25 <sup>117</sup> Barry Meier, *In Guilty Plea, OxyContin Maker to Pay \$600 Million*, New York Times (May 10, 2007),  
<http://www.nytimes.com/2007/05/10/business/11drug-web.html>.

26 <sup>118</sup> Van Zee, *The Promotion and Marketing of OxyContin*, *supra* note 60.

<sup>119</sup> Meier, *supra* note 16, at 269.

<sup>120</sup> *OxyContin Abuse and Diversion and Efforts to Address the Problem*, *supra* note 30.



1           222. Although Purdue has acknowledged it has made some misrepresentations about  
2 the safety of its opioids,<sup>121</sup> it has done nothing to address the ongoing harms of their  
3 misrepresentations; in fact, it continues to make those misrepresentations today.

4           223. Defendant Endo also made dubious claims about the low risk of addiction. For  
5 instance, it sponsored a website, PainKnowledge.com, on which in 2009 it claimed that “[p]eople  
6 who take opioids as prescribed usually do not become addicted.”<sup>122</sup> The website has since been  
7 taken down.

8           224. In another website, PainAction.com—which is still currently available today—  
9 Endo also claimed that “most chronic pain patients do not become addicted to the opioid  
10 medications that are prescribed for them.”<sup>123</sup>

11           225. In a pamphlet titled “Understanding Your Pain: Taking Oral Opioid Analgesics,”  
12 Endo assured patients that addiction is something that happens to people who take opioids for  
13 reasons other than pain relief, “such as unbearable emotional problems”<sup>124</sup>.  
14  
15  
16  
17  
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20

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21 <sup>121</sup> Following the conviction in 2007 of three of its executives for misbranding OxyContin, Purdue released a  
22 statement in which they acknowledged their false statements. “Nearly six years and longer ago, some employees  
23 made, or told other employees to make, certain statements about OxyContin to some health care professionals that  
24 were inconsistent with the F.D.A.-approved prescribing information for OxyContin and the express warnings it  
25 contained about risks associated with the medicine. The statements also violated written company policies  
26 requiring adherence to the prescribing information.”

<sup>122</sup> German Lopez, *The growing number of lawsuits against opioid companies, explained*, Vox (Feb. 27, 2018,  
2:25pm), <https://www.vox.com/policy-and-politics/2017/6/7/15724054/opioid-companies-epidemic-lawsuits>.

<sup>123</sup> *Opioid medication and addiction*, Pain Action (Aug. 17, 2017), <https://www.painaction.com/opioid-medication-addiction/>.

<sup>124</sup> *Understanding Your Pain: Taking Oral Opioid Analgesics*, Endo Pharms. (2004),  
[http://www.thblack.com/links/RSD/Understand\\_Pain\\_Opioid\\_Analgesics.pdf](http://www.thblack.com/links/RSD/Understand_Pain_Opioid_Analgesics.pdf).

Some questions you may have are:

*Is it wrong to take opioids for pain?*

- ◆ No. Pain relief is an important medical reason to take opioids as prescribed by your doctor. Addicts take opioids for other reasons, such as unbearable emotional problems. Taking opioids as prescribed for pain relief is not addiction.

*How can I be sure I'm not addicted?*

- ◆ Addiction to an opioid would mean that your pain has gone away but you still take the medicine regularly when you don't need it for pain, maybe just to escape from your problems.
- ◆ Ask yourself: Would I want to take this medicine if my pain went away? If you answer no, you are taking opioids for the right reasons—to relieve your pain and improve your function. You are not addicted.

226. In addition, Endo made statements in pamphlets and publications that most health care providers who treat people with pain agree that most people do not develop an addiction problem. These statements also appeared on websites sponsored by Endo, such as Opana.com.

227. In its currently active website, PrescribeResponsibly.com, Defendant Janssen states that concerns about opioid addiction are “overestimated” and that “true addiction occurs only in a small percentage of patients.”<sup>125</sup>

<sup>125</sup> Keith Candiotti, M.D., *Use of Opioid Analgesics in Pain Management*, Prescribe Responsibly, <http://www.prescriberesponsibly.com/articles/opioid-pain-management> (last modified July 2, 2015).

# Use of Opioid Analgesics in Pain Management



## *Other Opioid Analgesic Concerns*

Aside from medical issues related to opioid analgesics, there are nonmedical issues that may have an impact on prescribing patterns and patient use of these drugs. Practitioners are often concerned about prescribing opioid analgesics due to potential legal issues and questions of addiction.<sup>15,16</sup> By the same token, patients report similar concerns about developing an addiction to opioid analgesics.<sup>17</sup> While these concerns are not without some merit, it would appear that they are often overestimated. According to clinical opinion polls, true addiction occurs only in a small percentage of patients with chronic pain who receive chronic opioid analgesics analgesic therapy.<sup>18</sup>



228. Similarly, in a 2009 patient education video titled “Finding Relief: Pain Management for Older Adults,” Janssen sponsored a video by the American Academy of Pain Medicine that indicated that opioids are rarely addictive. The video has since been taken down.<sup>126</sup>

<sup>126</sup> Molly Huff, *Finding Relief: Pain Management for Older Adults*, Ctrs. for Pain Mgmt. (Mar. 9, 2011), <http://www.managepaintoday.com/news/-Finding-Relief-Pain-Management-for-Older-Adults>.

1           229. Janssen also approved and distributed a patient education guide in 2009 that  
2 attempted to counter the “myth” that opioids are addictive, claiming that “[m]any studies show  
3 that opioids are rarely addictive when used properly for the management of chronic pain.”<sup>127</sup>

4           230. In addition, all the Manufacturing Defendants used third parties and front groups  
5 to further their false and misleading statements about the safety of opioids.  
6

7           231. For example, in testimony for the Hearing to Examine the Effects of the Painkiller  
8 OxyContin, Focusing on Risks and Benefits, in front of the Senate Health, Education, Labor and  
9 Pensions Committee in February 2002, Dr. John D. Giglio, Executive Director of the APF, the  
10 organization which, as described above, received the majority of its funding from opioid  
11 manufacturers, including Purdue, stated that “opioids are safe and effective, and only in rare  
12 cases lead to addiction.”<sup>128</sup> Along with Dr. Giglio’s testimony, the APF submitted a short  
13 background sheet on “the scope of the undertreatment of pain in the U.S.,” which asserted that  
14 “opioids are often the best” treatment for pain that hasn’t responded to other techniques, but that  
15 patients and many doctors “lack even basic knowledge about these options and fear that powerful  
16 pain drugs will [c]ause addiction.” According to the APF, “most studies show that less than 1%  
17 of patients become addicted, which is medically different from becoming physically  
18 dependent.”<sup>129</sup>  
19

20           232. The APF further backed up Purdue in an amicus curiae brief filed in an Ohio  
21 appeals court in December 2002, in which it claimed that “medical leaders have come to  
22  
23  
24

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25 <sup>127</sup> Lopez, *supra* note 122.

26 <sup>128</sup> *Oxycontin: Balancing Risks and Benefits: Hearing of the S. Comm. on Health, Education, Labor and Pensions*,  
107th Cong. 2 (Feb. 12, 2002) (testimony of John D. Giglio, M.A., J.D., Executive Director, American Pain  
Foundation), <https://www.help.senate.gov/imo/media/doc/Giglio.pdf>.

<sup>129</sup> *Id.*

1 understand that the small risk of abuse does not justify the withholding of these highly effective  
2 analgesics from chronic pain patients.”<sup>130</sup>

3 233. In a 2007 publication titled “Treatment Options: A Guide for People Living with  
4 Pain,” APF downplayed the risk of addiction and argued that concern about this risk should not  
5 prevent people from taking opioids: “Restricting access to the most effective medications for  
6 treating pain is not the solution to drug abuse or addiction.”<sup>131</sup> APF also tried to normalize the  
7 dangers of opioids by listing opioids as one of several “[c]ommon drugs that can cause physical  
8 dependence,” including steroids, certain heart medications, and caffeine.<sup>132</sup>

10 234. The Manufacturing Defendants’ repeated statements about the low risk of  
11 addiction when taking opioids as prescribed for chronic pain were blatantly false and were made  
12 with reckless disregard for the potential consequences.

13  
14 **2. The Manufacturing Defendants falsely claimed that opioids were proven  
effective for chronic pain and would improve quality of life.**

15 235. Not only did the Manufacturing Defendants falsely claim that the risk of addiction  
16 to prescription opioids was low, these Defendants represented that there was a significant upside  
17 to long-term opioid use, including that opioids could restore function and improve quality of  
18 life.<sup>133</sup>

22  
23 <sup>130</sup> Brief Amici Curiae of American Pain Foundation, National Foundation for the Treatment of Pain, and The Ohio  
24 Pain Initiative, in Support of Defendants/Appellants, *Howland v. Purdue Pharma, L.P.*, Appeal No. CA 2002 09  
0220 (Butler Co., Ohio 12th Court of Appeals, Dec. 23, 2002), <https://ia801005.us.archive.org/23/items/279014-howland-apf-amicus/279014-howland-apf-amicus.pdf>.

25 <sup>131</sup> *Treatment Options: A Guide for People Living with Pain*, Am. Pain Found.,  
<https://assets.documentcloud.org/documents/277605/apf-treatmentoptions.pdf> (last visited Mar. 22, 2018).

26 <sup>132</sup> *Id.*

<sup>133</sup> This case *does not* request or require the Court to specifically adjudicate whether opioids are appropriate for the treatment of chronic, non-cancer pain—though the scientific evidence strongly suggests they are not.

236. Such claims were viewed as a critical part of the Manufacturing Defendants' marketing strategies. For example, an internal Purdue report from 2001 noted the lack of data supporting improvement in quality of life with OxyContin treatment:

Janssen has been stressing decreased side effects, especially constipation, as well as patient quality of life, as supported by patient rating compared to sustained release morphine . . . We do not have such data to support OxyContin promotion. . . In addition, Janssen has been using the "life uninterrupted" message in promotion of Duragesic for non-cancer pain, stressing that Duragesic "helps patients think less about their pain." This is a competitive advantage based on our inability to make any quality of life claims.<sup>134</sup>

237. Despite the lack of data supporting improvement in quality of life, Purdue ran a full-page ad for OxyContin in the Journal of the American Medical Association in 2002, proclaiming, "There Can Be Life With Relief," and showing a man happily fly-fishing alongside his grandson.<sup>135</sup> This ad earned a warning letter from the FDA, which admonished, "It is particularly disturbing that your November ad would tout 'Life With Relief' yet fail to warn that patients can die from taking OxyContin."<sup>136</sup>

238. Purdue also consistently tried to steer any concern away from addiction and focus on its false claims that opioids were effective and safe for treating chronic pain. At a hearing before the House of Representatives' Subcommittee on Oversight and Investigations of the Committee on Energy and Commerce in August 2001, Michael Friedman, Executive Vice President and Chief Operating Officer of Purdue, testified that "even the most vocal critics of opioid therapy concede the value of OxyContin in the legitimate treatment of pain," and that

<sup>134</sup> Meier, *supra* note 16, at 281.

<sup>135</sup> *Id.* at 280.

<sup>136</sup> Chris Adams, *FDA Orders Purdue Pharma To Pull Its OxyContin Ads*, Wall Street Journal (Jan. 23, 2003, 12:01am), <https://www.wsj.com/articles/SB1043259665976915824>.

1 “OxyContin has proven itself an effective weapon in the fight against pain, returning many  
2 patients to their families, to their work, and to their ability to enjoy life.”<sup>137</sup>

3 239. Purdue sponsored the development and distribution of an APF guide in 2011  
4 which claimed that “multiple clinical studies have shown that opioids are effective in improving  
5 daily function, psychological health, and health-related quality of life for chronic pain patients.”  
6 This guide is still available today.  
7

8 240. Purdue also ran a series of advertisements of OxyContin in 2012 in medical  
9 journals titled “Pain vignettes,” which were styled as case studies of patients with persistent pain  
10 conditions and for whom OxyContin was recommended to improve their function.

11 241. Purdue and Endo also sponsored and distributed a book in 2007 to promote the  
12 claim that pain relief from opioids, by itself, improved patients’ function. The book remains for  
13 sale online today.  
14

15 242. Endo’s advertisements for Opana ER claimed that use of the drug for chronic pain  
16 allowed patients to perform demanding tasks like construction and portrayed Opana ER users as  
17 healthy and unimpaired.

18 243. Endo’s National Initiative on Pain Control (NIPC) website also claimed in 2009  
19 that with opioids, “your level of function should improve; you may find you are now able to  
20 participate in activities of daily living, such as work and hobbies, that you were not able to enjoy  
21 when your pain was worse.”  
22  
23  
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26

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<sup>137</sup> *Oxycontin: Its Use and Abuse*, *supra* note 114.



1           244. Endo further sponsored a series of CME programs through NIPC which claimed  
2 that chronic opioid therapy has been “shown to reduce pain and depressive symptoms and  
3 cognitive functioning.”

4           245. Through PainKnowledge.org, Endo also supported and sponsored guidelines that  
5 stated, among other things, that “Opioid Medications are a powerful and often highly effective  
6 tool in treating pain,” and that “they can help restore comfort, function, and quality of life.”<sup>138</sup>  
7

8           246. In addition, Janssen sponsored and edited patient guides which stated that  
9 “opioids may make it easier for people to live normally.” The guides listed expected functional  
10 improvements from opioid use, including sleeping through the night, and returning to work,  
11 recreation, sex, walking, and climbing stairs.

12           247. Janssen also sponsored, funded, and edited a website which featured an interview  
13 edited by Janssen that described how opioids allowed a patient to “continue to function.” This  
14 video is still available today.  
15

16           248. Furthermore, sales representatives for the Manufacturing Defendants  
17 communicated and continue to communicate the message that opioids will improve patients’  
18 function, without appropriate disclaimers.

19           249. The Manufacturing Defendants’ statements regarding opioids’ ability to improve  
20 function and quality of life are false and misleading. As the CDC’s *Guideline for Prescribing*  
21 *Opioids for Chronic Pain* (the “2016 CDC Guideline” or “Guideline”)<sup>139</sup> confirms, not a single  
22 study supports these claims.  
23  
24

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25 <sup>138</sup> *Informed Consent for Using Opioids to Treat Pain*, Painknowledge.org (2007),  
26 [https://www.mainequalitycounts.org/image\\_upload/Opioid%20Informed%20Consent%20Formatted\\_1\\_23\\_2008.p  
df.](https://www.mainequalitycounts.org/image_upload/Opioid%20Informed%20Consent%20Formatted_1_23_2008.pdf)

<sup>139</sup> 2016 CDC Guideline, *supra* note 31.



250. In fact, to date, there have been no long-term studies that demonstrate that opioids are effective for treating long-term or chronic pain. Instead, reliable sources of information, including from the CDC in 2016, indicate that there is “[n]o evidence” to show “a long-term benefit of opioids in pain and function versus no opioids for chronic pain.”<sup>140</sup> By contrast, significant research has demonstrated the colossal dangers of opioids. The CDC, for example, concluded that “[e]xtensive evidence shows the possible harms of opioids (including opioid use disorder, overdose, and motor vehicle injury)” and that “[o]pioid pain medication use presents serious risks, including overdose and opioid use disorder.”<sup>141</sup>

**3. The Manufacturing Defendants falsely claimed doctors and patients could increase opioid usage indefinitely without added risk.**

251. The Manufacturing Defendants also made false and misleading statements claiming that there is no dosage ceiling for opioid treatment. These misrepresentations were integral to the Manufacturing Defendants’ promotion of prescription opioids for two reasons. First, the idea that there was no upward limit was necessary for the overarching deception that opioids are appropriate treatment for chronic pain. As discussed above, people develop a tolerance to opioids’ analgesic effects, so that achieving long-term pain relief requires constantly increasing the dose. Second, the dosing misrepresentation was necessary for the claim that OxyContin and competitor drugs allowed 12-hour dosing.

252. Twelve-hour dosing is a significant marketing advantage for any medication, because patient compliance is improved when a medication only needs to be taken twice a day. For prescription painkillers, the 12-hour dosing is even more significant because shorter-acting painkillers did not allow patients to get a full night’s sleep before the medication wore off. A

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<sup>140</sup> *Id.*

<sup>141</sup> *Id.*

1 Purdue memo to the OxyContin launch team stated that “OxyContin’s positioning statement is  
 2 ‘all of the analgesic efficacy of immediate-release oxycodone, with convenient q12h dosing,’”  
 3 and further that “[t]he convenience of q12h dosing was emphasized as the most important  
 4 benefit.”<sup>142</sup>

5  
 6 253. Purdue executives therefore maintained the messaging of 12-hour dosing even  
 7 when many reports surfaced that OxyContin did not last 12 hours. Instead of acknowledging a  
 8 need for more frequent dosing, Purdue instructed its representatives to push higher-strength pills.

9 254. For example, in a 1996 sales strategy memo from a Purdue regional manager, the  
 10 manager emphasized that representatives should “convinc[e] the physician that there is no need”  
 11 for prescribing OxyContin in shorter intervals than the recommended 12-hour interval, and  
 12 instead the solution is prescribing higher doses. The manager directed representatives to discuss  
 13 with physicians that there is “no[] upward limit” for dosing and ask “if there are any reservations  
 14 in using a dose of 240mg-320mg of OxyContin.”<sup>143</sup>

15  
 16 255. As doctors began prescribing OxyContin at shorter intervals in the late 1990s,  
 17 Purdue directed its sales representatives to “refocus” physicians on 12-hour dosing. One sales  
 18 manager instructed her team that anything shorter “needs to be nipped in the bud. NOW!!”<sup>144</sup>

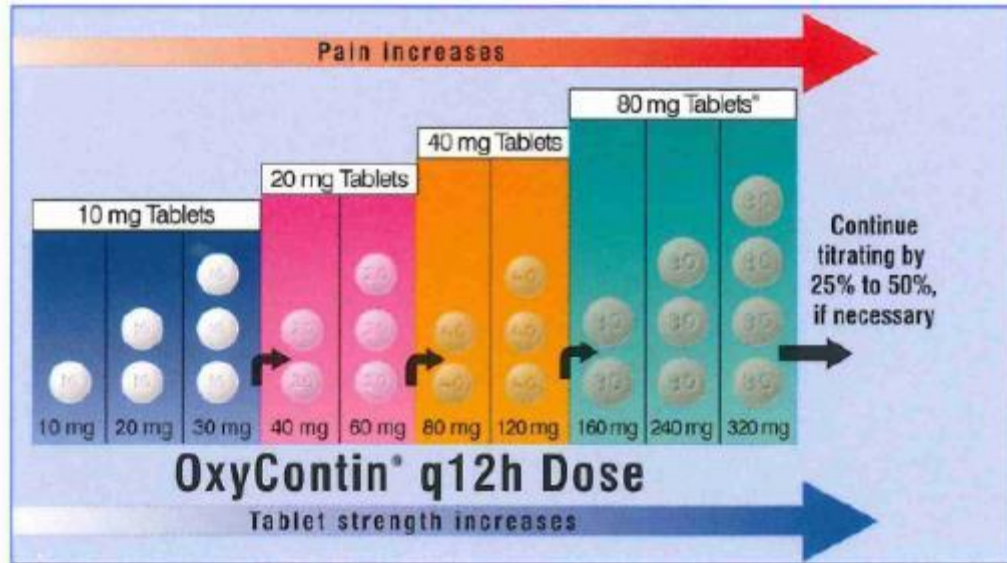
19 256. These misrepresentations were incredibly dangerous. As noted above, opioid  
 20 dosages at or above 50 MME/day double the risk of overdose compared to 20 MME/day, and 50  
 21 MME is equal to just 33 mg of oxycodone. Notwithstanding the risks, the 2003 Conversion  
 22 Guide for OxyContin contained the following diagram for increasing dosage up to 320 mg:  
 23

24  
 25 <sup>142</sup> *OxyContin launch*, Los Angeles Times (May 5, 2016), <http://documents.latimes.com/oxycontin-launch-1995/>.

26 <sup>143</sup> *Sales manager on 12-hour dosing*, Los Angeles Times (May 5, 2016), <http://documents.latimes.com/sales-manager-on12-hour-dosing-1996/>.

<sup>144</sup> Harriet Ryan, Lisa Girion, and Scott Glover, ‘You Want a Description of Hell?’ *OxyContin’s 12-Hour Problem* (May 5, 2016), <http://www.latimes.com/projects/oxycontin-part1/>.

## A Guide to Titration of OxyContin®



257. In a 2004 response letter to the FDA, Purdue tried to address concerns that patients who took OxyContin more frequently than 12 hours would be at greater risk of side effects or adverse reactions. Purdue contended that the peak plasma concentrations of oxycodone would not increase with more frequent dosing, and therefore no adjustments to the package labeling or 12-hour dosing regimen were needed.<sup>145</sup> But these claims were false, and Purdue's suggestion that there was no upper limit or risk associated with increased dosage was incredibly misleading.

258. Suggesting that it recognized the danger of its misrepresentations of no dose ceiling, Purdue discontinued the OxyContin 160 mg tablet in 2007 and stated that this step was taken "to reduce the risk of overdose accompanying the abuse of this dosage strength."<sup>146</sup>

<sup>145</sup> *Purdue Response to FDA, 2004*, Los Angeles Times (May 5, 2016), <http://documents.latimes.com/purdue-response-fda-2004/>.

<sup>146</sup> *OxyContin Tablets Risk Management Program*, Purdue Pharma L.P., <https://web.archive.org/web/20170215064438/https://www.fda.gov/ohrms/dockets/DOCKETS/07p0232/07p-0232-cp00001-03-Exhibit-02-Part-1-vol1.pdf> (revised May 18, 2007).

1           259. But still Purdue and the other Manufacturing Defendants worked hard to protect  
 2 their story. In March 2007, Dr. Gary Franklin, Medical Director for the Washington State  
 3 Department of Labor & Industries, published the *Interagency Guideline on Opioid Dosing for*  
 4 *Chronic Non-Cancer Pain*. Developed in collaboration with providers in Washington State who  
 5 had extensive experience in the evaluation and treatment of patients with chronic pain, the  
 6 guideline recommended a maximum daily dose of opioids to protect patients.  
 7

8           260. In response, Purdue sent correspondence to Dr. Franklin specifically indicating,  
 9 among other things, that “limiting access to opioids for persons with chronic pain is not the  
 10 answer” and that the “safety and efficacy of OxyContin doses greater than 40 mg every 12 hours  
 11 in patients with chronic nonmalignant pain” was well established. Purdue even went so far as to  
 12 represent to Dr. Franklin that even if opioid treatment produces significant adverse effects in a  
 13 patient, “this does not preclude a trial of another opioid.”  
 14

15           261. In 2010, Purdue published a Risk Evaluation and Mitigation Strategy (“REMS”)  
 16 for OxyContin, but even the REMS does not address concerns with increasing dosage, and  
 17 instead advises prescribers that “dose adjustments may be made every 1-2 days”; “it is most  
 18 appropriate to increase the q12h dose”; the “total daily dose can usually be increased by 25% to  
 19 50%”; and if “significant adverse reactions occur, treat them aggressively until they are under  
 20 control, then resume upward titration.”<sup>147</sup>  
 21  
 22  
 23  
 24  
 25

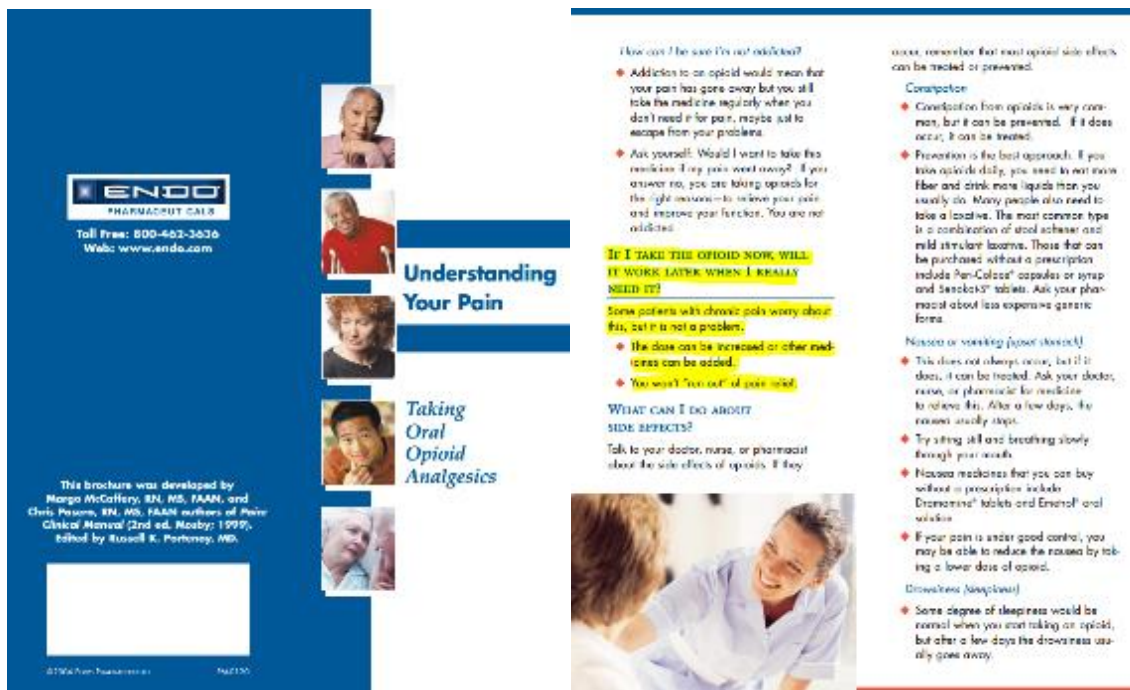
26 <sup>147</sup> *OxyContin Risk Evaluation and Mitigation Strategy*, Purdue Pharma L.P.,  
<https://web.archive.org/web/20170215190303/https://www.fda.gov/downloads/Drugs/DrugSafety/PostmarketDrugSafetyInformationforPatientsandProviders/UCM220990.pdf> (last modified Nov. 2010).

262. In 2012, APF claimed on its website that there was no “ceiling dose” for opioids for chronic pain.<sup>148</sup> APF also made this claim in a guide sponsored by Purdue, which is still available online.

263. Accordingly, Purdue continued to represent both publicly and privately that increased opioid usage was safe and did not present additional risk at higher doses.

264. Endo, on a website it sponsors, PainKnowledge.com, also made the claim in 2009 that opioid dosages could be increased indefinitely.

265. In the “Understanding Your Pain” pamphlet discussed above, Endo assures opioid users that concern about developing tolerance to the drugs’ pain-relieving effect is “not a problem,” and that “[t]he dose can be increased” and “[y]ou won’t ‘run out’ of pain relief.”<sup>149</sup>



<sup>148</sup> Noah Nesin, M.D., FAAFP, *Responsible Opioid Prescribing*, PCHC [https://www.mainequalitycounts.org/image\\_upload/Keynote-%20Managing%20Chronic%20Pain%20and%20Opioids\\_Nesin.pdf](https://www.mainequalitycounts.org/image_upload/Keynote-%20Managing%20Chronic%20Pain%20and%20Opioids_Nesin.pdf) (last visited Mar. 22, 2018).

<sup>149</sup> *Understanding Your Pain: Taking Oral Opioid Analgesics*, *supra* note 124.

266. Dosage limits with respect to opioids are particularly important not only because of the risk of addiction but also because of the potentially fatal side effect of respiratory depression. Endo's "Understanding Your Pain" pamphlet minimized this serious side effect, calling it "slowed breathing," declaring that it is "very rare" when opioids are used "appropriately," and never stating that it could be fatal:

*"Slowed breathing"*

- ◆ The medical term for "slowed breathing" is "respiratory depression."
- ◆ This is very rare when oral opioids are used appropriately for pain relief.
- ◆ If you become so sleepy that you cannot make yourself stay awake, you may be in danger of slowed breathing. Stop taking your opioid and call your doctor immediately.

267. Janssen also made the same misrepresentations regarding the disadvantages of dosage limits for other pain medicines in a 2009 patient education guide, while failing to address the risks of dosage increases with opioids.

**4. The Manufacturing Defendants falsely instructed doctors and patients that more opioids were the solution when patients presented symptoms of addiction.**

268. Not only did the Manufacturing Defendants hide the serious risks of addiction associated with opioids, they actively worked to prevent doctors from taking steps to prevent or address opioid addiction in their patients.

269. One way that the Manufacturing Defendants worked to obstruct appropriate responses to opioid addiction was to push a concept called "pseudoaddiction." Dr. David

Haddox—who later became a Senior Medical Director for Purdue—published a study in 1989



1 coining the term, which he characterized as “the iatrogenic syndrome of abnormal behavior  
 2 developing as a direct consequence of inadequate pain management.”<sup>150</sup> (“Iatrogenic” describes a  
 3 condition induced by medical treatment.) In other words, he claimed that people on prescription  
 4 opioids who exhibited classic signs of addiction—“abnormal behavior”—were not addicted, but  
 5 rather simply suffering from under-treatment of their pain. His solution for pseudoaddiction?  
 6 More opioids.

8 270. Although this concept was formed based on a single case study, it proved to be a  
 9 favorite trope in the Manufacturing Defendants’ marketing schemes. For example, using this  
 10 study, Purdue informed doctors and patients that signs of addiction are actually the signs of  
 11 under-treated pain which should be treated with even more opioids. Purdue reassured doctors and  
 12 patients, telling them that “chronic pain has been historically undertreated.”<sup>151</sup>

14 271. The Manufacturing Defendants continued to spread the concept of  
 15 pseudoaddiction through the APF, which even went so far as to compare opioid addicts to coffee  
 16 drinkers. In a 2002 court filing, APF wrote that “[m]any pain patients (like daily coffee drinkers)  
 17 claim they are ‘addicted’ when they experience withdrawal symptoms associated with physical  
 18 dependence as they decrease their dose. But unlike actual addicts, such individuals, if they  
 19 resume their opioid use, will only take enough medication to alleviate their pain . . .”<sup>152</sup>

21 272. In a 2007 publication titled “Treatment Options: A Guide for People Living with  
 22 Pain,” the APF claimed: “*Physical dependence is normal*; any patient who is taking an opioid on  
 23 a regular basis for a few days should be assumed to be physically dependent. This does **NOT**

25 <sup>150</sup> David E. Weissman and J. David Haddox, *Opioid pseudoaddiction--an iatrogenic syndrome*, 36(3) Pain 363-66  
 26 (Mar. 1989), <https://www.ncbi.nlm.nih.gov/pubmed/2710565>.

<sup>151</sup> *Oxycontin: Its Use and Abuse*, *supra* note 114.

<sup>152</sup> APF Brief Amici Curiae, *supra* note 130, at 10-11.

mean you are addicted.”<sup>153</sup> In this same publication, when describing behaviors of addiction, the APF again used the idea of pseudoaddiction, claiming that people who are not substance abusers may also engage in behaviors that mirror those of actual addicts.



#### Side effects

The most common side effects of opioids include constipation, nausea and vomiting, sedation (drowsiness), mental clouding and itching. Some people may also experience dizziness or difficulty urinating. Respiratory depression, a decreased rate and depth of breathing, is a serious side effect associated with overdose.

The good news is that most side effects go away after a few days. However, side effects may continue in some people. Constipation is most likely to persist. Some pain experts believe all patients started on an opioid also should be taking a stool softener or a laxative. Others believe that this treatment is appropriate only if a patient is prone to developing significant constipation because of advanced age, poor diet, other diseases, or the use of other constipating drugs. Your healthcare provider can give advice on what to eat and what medicines to use to treat constipation. Always make certain to drink plenty of fluids and be as active as possible.

If any of the other side effects don't go away, they can also be treated. Be certain to tell your provider if you are having any problems. Serious side effects such as delirium or respiratory depression can occur if the dose is increased too quickly, especially in someone who is just starting to take opioids. Tell your provider if you are unable to concentrate or think clearly after you have been taking an opioid for a few days. Report other medications you may be taking that make you sleepy. Do not drive when you first start taking these drugs or immediately after the dose has been increased. Most persons will adapt to these medicines over time and can drive safely while taking them for pain control. If side effects remain troublesome, your provider may switch you to a different opioid. The amount of pain relief can be maintained after such a switch and often the side effects can be reduced.

#### Common drugs that can cause physical dependence

- Opioids
- Stimulants
- Sedatives
- Steroids
- Certain Antidepressants
- Certain Heart Medications
- Caffeine

#### Tolerance, physical dependence and addiction

You and your healthcare provider may worry about tolerance, physical dependence and addiction. It's sometimes easy to confuse the meaning of these words. Tolerance refers to the situation in which a drug becomes less effective over time. However, many persons with persistent pain don't develop tolerance and stay on the same dose of opioid for a long time. Many times when a person needs a larger dose of a drug, it's because their pain is worse or the problem causing their pain has changed.

Physical dependence means that a person will develop symptoms and signs of withdrawal (e.g., sweating, rapid heart rate, nausea, diarrhea, goosebumps, anxiety) if the drug is suddenly stopped or the dose is lowered too quickly. **Physical dependence is normal; any patient who is taking an opioid on a regular basis for a few days should be assumed to be physically dependent. This does NOT mean you are addicted. In fact, many non-addictive drugs can produce physical dependence. To prevent withdrawal from occurring, the dose of the medication must be decreased slowly.**

If you believe that you no longer need to take the opioid medication or want to reduce the dose, it is essential to speak to your provider. They will guide you on how to decrease your dose over time to prevent the experience of withdrawal.

273. Purdue published a REMS for OxyContin in 2010, and in the associated Healthcare Provider Training Guide stated that “[b]ehaviors that suggest drug abuse exist on a continuum, and pain-relief seeking behavior can be mistaken for drug-seeking behavior.”<sup>154</sup>

274. Purdue worked, and continues to work, to create confusion about what addiction is. For example, Purdue continues to emphasize that abuse and addiction are separate and distinct from physical dependence. Regardless of whether these statements may be technically correct, they continue to add ambiguity over the risks and benefits of opioids.

<sup>153</sup> *Treatment Options: A Guide for People Living with Pain*, supra note 131.

<sup>154</sup> *OxyContin Risk Evaluation and Mitigation Strategy*, supra note 147.



1           275. Endo sponsored an NIPC CME program in 2009 which promoted the concept of  
2 pseudoaddiction by teaching that a patient's aberrant behavior was the result of untreated pain.  
3 Endo substantially controlled NIPC by funding its projects, developing content, and reviewing  
4 NIPC materials.

5           276. A 2001 paper which was authored by a doctor affiliated with Janssen stated that  
6 "[m]any patients presenting to a doctor's office asking for pain medications are accused of drug  
7 seeking. In reality, most of these patients may be undertreated for their pain syndrome."<sup>155</sup>

8           277. In 2009, on a website it sponsored, Janssen stated that pseudoaddiction is different  
9 from true addiction "because such behaviors can be resolved with effective pain  
10 management."<sup>156</sup>

11           278. Indeed, on its currently active website PrescribeResponsibly.com, Janssen defines  
12 pseudoaddiction as "a syndrome that causes patients to seek additional medications due to  
13 inadequate pharmacotherapy being prescribed. Typically, when the pain is treated appropriately,  
14 the inappropriate behavior ceases."<sup>157</sup>  
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22 <sup>155</sup> Howard A. Heit, MD, FACP, FASAM, *The truth about pain management: the difference between a pain patient*  
23 *and an addicted patient*, 5 *European Journal of Pain* 27-29 (2001),  
<http://www.med.uottawa.ca/courses/totalpain/pdf/doc-34.pdf>.

24 <sup>156</sup> Chris Morran, *Ohio: Makers Of OxyContin, Percocet & Other Opioids Helped Fuel Drug Epidemic By*  
25 *Misleading Doctors, Patients*, *Consumerist* (May 31, 2017, 2:05pm), [https://consumerist.com/2017/05/31/ohio-](https://consumerist.com/2017/05/31/ohio-makers-of-oxycontin-percocet-other-opioids-helped-fuel-drug-epidemic-by-misleading-doctors-patients/)  
[makers-of-oxycontin-percocet-other-opioids-helped-fuel-drug-epidemic-by-misleading-doctors-patients/](https://consumerist.com/2017/05/31/ohio-makers-of-oxycontin-percocet-other-opioids-helped-fuel-drug-epidemic-by-misleading-doctors-patients/).

26 <sup>157</sup> Howard A. Heit, MD, FACP, FASAM and Douglas L. Gourlay, MD, MSc, FRCPC, FASAM, *What a Prescriber*  
*Should Know Before Writing the First Prescription, Prescribe Responsibly*,  
<http://www.prescriberesponsibly.com/articles/before-prescribing-opioids#pseudoaddiction> (last modified July 2,  
2015).

# What a Prescriber Should Know Before Writing the First Prescription



TABLE 1: Definitions

8. **Pseudoaddiction** is a syndrome that causes patients to seek additional medications due to inadequate pharmacotherapy being prescribed. Typically when the pain is treated appropriately, the inappropriate behavior ceases.<sup>25</sup>



279. As set forth in more detail below, these statements were false and misleading as evidenced by, *inter alia*, the findings made by the CDC in 2016. Indeed, there is simply no evidence that pseudoaddiction is a real phenomenon. As research compiled by the CDC and others makes clear, pseudoaddiction is pseudoscience—nothing more than a concept Defendants seized upon to help sell more of their actually addicting drugs.

**5. The Manufacturing Defendants falsely claimed that risk-mitigation strategies, including tapering and abuse-deterrent technologies, made it safe to prescribe opioids for chronic use.**

280. Even when the Manufacturing Defendants acknowledge that opioids pose some risk of addiction, they dismiss these concerns by claiming that addiction can be easily avoided

1 and addressed through simple steps. In order to make prescribers feel more comfortable about  
 2 starting patients on opioids, the Manufacturing Defendants falsely communicated to doctors that  
 3 certain screening tools would allow them to reliably identify patients at higher risk of addiction  
 4 and safely prescribe opioids, and that tapering the dose would be sufficient to manage cessation  
 5 of opioid treatment. Both assertions are false.

6  
 7 281. For instance, as noted above, Purdue published a REMS for OxyContin in 2010,  
 8 in which it described certain steps that needed to be followed for safe opioid use. Purdue stressed  
 9 that all patients should be screened for their risk of abuse or addiction, and that such screening  
 10 could curb the incidence of addiction.<sup>158</sup>

11 282. The APF also proclaimed in a 2007 booklet, sponsored in part by Purdue, that  
 12 “[p]eople with the disease of addiction may abuse their medications, engaging in unacceptable  
 13 behaviors like increasing the dose without permission or obtaining the opioid from multiple  
 14 sources, among other things. Opioids get into the hands of drug dealers and persons with an  
 15 addictive disease as a result of pharmacy theft, forged prescriptions, Internet sales, and even  
 16 from other people with pain. It is a problem in our society that needs to be addressed through  
 17 many different approaches.”<sup>159</sup>

18  
 19 283. On its current website for OxyContin,<sup>160</sup> Purdue acknowledges that certain  
 20 patients have higher risk of opioid addiction based on history of substance abuse or mental  
 21 illness—a statement which, even if accurate, obscures the significant risk of addiction for all  
 22 patients, including those without such a history, and comports with statements it has recently  
 23  
 24  
 25

26 <sup>158</sup> *Oxycontin Risk Evaluation and Mitigation Strategy*, *supra* note 147.

<sup>159</sup> *Treatment Options: A Guide for People Living with Pain*, *supra* note 131.

<sup>160</sup> OxyContin, <https://www.oxycontin.com/index.html> (last visited Mar. 22, 2018).

made that it is “bad apple” patients, and not the opioids, that are arguably the source of the opioid crisis:

Assess each patient’s risk for opioid addiction, abuse, or misuse prior to prescribing OxyContin, and monitor all patients receiving OxyContin for the development of these behaviors and conditions. Risks are increased in patients with a personal or family history of substance abuse (including drug or alcohol abuse or addiction) or mental illness (e.g., major depression). The potential for these risks should not, however, prevent the proper management of pain in any given patient. Patients at increased risk may be prescribed opioids such as OxyContin, but use in such patients necessitates intensive counseling about the risks and proper use of OxyContin along with intensive monitoring for signs of addiction, abuse, and misuse.

284. Additionally, on its current website, Purdue refers to publicly available tools that can assist with prescribing compliance, such as patient-prescriber agreements and risk assessments.<sup>161</sup>

285. Purdue continues to downplay the severity of addiction and withdrawal and claims that dependence can easily be overcome by strategies such as adhering to a tapering schedule to successfully stop opioid treatment. On the current website for OxyContin, it instructs that “[w]hen discontinuing OxyContin, gradually taper the dosage. Do not abruptly discontinue OxyContin.”<sup>162</sup> And on the current OxyContin Medication Guide, Purdue also states that one

<sup>161</sup> *ER/LA Opioid Analgesics REMS*, Purdue, <http://www.purduepharma.com/healthcare-professionals/responsible-use-of-opioids/remis/> (last visited Mar. 22, 2018).

<sup>162</sup> Oxycontin.com, *supra* note 160.

1 should “taper the dosage gradually.”<sup>163</sup> As a general matter, tapering is a sensible strategy for  
 2 cessation of treatment with a variety of medications, such as steroids or antidepressants. But the  
 3 suggestion that tapering is sufficient in the context of chronic use of potent opioids is misleading  
 4 and dangerous, and sets patients up for withdrawal and addiction.

5 286. In its “Dear Healthcare Professional” letter in 2010, Purdue instructed doctors to  
 6 gradually taper someone off OxyContin to prevent signs and symptoms of withdrawal in patients  
 7 who were physically dependent.<sup>164</sup> Nowhere does Purdue warn doctors or patients that tapering  
 8 may be inadequate to safely end opioid treatment and avoid addiction.

9 287. Other Manufacturing Defendants make similar claims. For instance, Endo  
 10 suggests that risk-mitigation strategies enable the safe prescription of opioids. In its currently  
 11 active website, Opana.com, Endo states that assessment tools should be used to assess addiction  
 12 risk, but that “[t]he potential for these risks should not, however, prevent proper management of  
 13 pain in any given patient.”<sup>165</sup>

14 288. On the same website, Endo makes similar statements about tapering, stating  
 15 “[w]hen discontinuing OPANA ER, gradually taper the dosage.”<sup>166</sup>

16 289. Janssen also states on its currently active website, PrescribeResponsibly.com, that  
 17 the risk of opioid addiction “can usually be managed” through tools such as “opioid agreements”  
 18 between patients and doctors.<sup>167</sup>

19  
20  
21  
22  
23  
24 <sup>163</sup> *OxyContin Full Prescribing Information*, Purdue Pharma LP,  
 25 <http://app.purduepharma.com/xmlpublishing/pi.aspx?id=o> (last visited Mar. 22, 2018).

26 <sup>164</sup> *OxyContin Risk Evaluation and Mitigation Strategy*, *supra* note 147.

<sup>165</sup> Opana ER, Endo Pharmaceuticals, Inc., <http://www.opana.com> (last visited Mar. 22, 2018).

<sup>166</sup> *Id.*

<sup>167</sup> Heit & Gourlay, *supra* note 157.

290. Each Manufacturing Defendant's statements about tapering misleadingly implied that gradual tapering would be sufficient to alleviate any risk of withdrawal or addiction while taking opioids.

291. The Manufacturing Defendants have also made and continue to make false and misleading statements about the purported abuse-deterrent properties of their opioid pills to suggest these reformulated pills are not susceptible to abuse. In so doing, the Manufacturing Defendants have increased their profits by selling more pills for substantially higher prices.

292. For instance, since at least 2001, Purdue has contended that "abuse resistant products can reduce the incidence of abuse."<sup>168</sup> Its current website touts abuse-deterrent properties by saying they "can make a difference."<sup>169</sup>

293. On August 17, 2015, Purdue announced the launch of a new website, "Team Against Opioid Abuse," which it said was "designed to help healthcare professionals and laypeople alike learn about different abuse-deterrent technologies and how they can help in the reduction of misuse and abuse of opioids."<sup>170</sup> This website appears to no longer be active.

294. A 2013 study which was authored by at least two doctors who at one time worked for Purdue stated that "[a]buse-deterrent formulations of opioid analgesics can reduce abuse."<sup>171</sup> In another study from 2016 with at least one Purdue doctor as an author, the authors

<sup>168</sup> *Oxycontin: Its Use and Abuse*, *supra* note 114.

<sup>169</sup> *Opioids with Abuse-Deterrent Properties*, Purdue, <http://www.purduepharma.com/healthcare-professionals/responsible-use-of-opioids/opioids-with-abuse-deterrent-properties/> (last visited Mar. 22, 2018).

<sup>170</sup> *Purdue Pharma L.P. Launches TeamAgainstOpioidAbuse.com*, Purdue (Aug. 17, 2015), <http://www.purduepharma.com/news-media/2015/08/purdue-pharma-l-p-launches-teamagainstopioidabuse-com/>.

<sup>171</sup> Paul M. Coplan, Hrishikesh Kale, Lauren Sandstrom, Craig Landau, and Howard D. Chilcoat, *Changes in oxycodone and heroin exposures in the National Poison Data System after introduction of extended-release oxycodone with abuse-deterrent characteristics*, 22 (12) *Parmacoepidemiol Drug Saf.* 1274-82 (Sept. 30, 2013), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4283730/>.

1 claimed that abuse decreased by as much as 99% in some situations after abuse-deterrent  
2 formulations were introduced.<sup>172</sup>

3 295. Interestingly, one report found that the original safety label for OxyContin, which  
4 instructed patients not to crush the tablets because it would have a rapid release effect, may have  
5 inadvertently given opioid users ideas for techniques to get high from these drugs.<sup>173</sup>

6 296. In 2012, Defendant Endo replaced the formula for Opana ER with a new formula  
7 with abuse-deterrent properties that it claimed would make Opana ER resistant to manipulation  
8 from users to snort or inject it. But the following year, the FDA concluded:

9 While there is an increased ability of the reformulated version of Opana ER to resist  
10 crushing relative to the original formulation, study data show that the reformulated  
11 version's extended-release features can be compromised when subjected to other  
12 forms of manipulation, such as cutting, grinding, or chewing, followed by  
13 swallowing.

14 Reformulated Opana ER can be readily prepared for injection, despite Endo's claim  
15 that these tablets have "resistance to aqueous extraction (i.e., poor syringeability)." It also appears that reformulated Opana ER can be prepared for snorting using  
16 commonly available tools and methods.

17 The postmarketing investigations are inconclusive, and even if one were to treat  
18 available data as a reliable indicator of abuse rates, one of these investigations also  
19 suggests the troubling possibility that a higher percentage of reformulated Opana  
20 ER abuse is via injection than was the case with the original formulation.<sup>174</sup>

21 297. Despite the FDA's determination that the evidence did not support Endo's claims  
22 of abuse-deterrence, Endo advertised its reformulated pills as "crush resistant" and directed its  
23 sales representatives to represent the same to doctors. Endo improperly marketed Opana ER as

24 <sup>172</sup> Paul M. Coplan, Howard D. Chilcoat, Stephen Butler, Edward M. Sellers, Aditi Kadakia, Venkatesh  
25 Harikrishnan, J. David Haddox, and Richard C. Dart, *The effect of an abuse-deterrent opioid formulation*  
(OxyContin) on opioid abuse-related outcomes in the postmarketing setting, 100 Clin. Pharmacol. Ther. 275-86  
(June 22, 2016), <http://onlinelibrary.wiley.com/doi/10.1002/cpt.390/full>.

26 <sup>173</sup> *OxyContin Abuse and Diversion and Efforts to Address the Problem*, supra note 30.

<sup>174</sup> *FDA Statement: Original Opana ER Relisting Determination*, U.S. Food & Drug Admin. (May 10, 2013),  
<https://wayback.archive-it.org/7993/20171102214123/https://www.fda.gov/Drugs/DrugSafety/ucm351357.htm>.



1 crush-resistant, when Endo's own studies showed that the pill could be crushed and ground. In  
 2 2016, Endo reached an agreement with the Attorney General of the State of New York that  
 3 required Endo to discontinue making such statements.<sup>175</sup>

4 298. Defendants' assertions that their reformulated pills could curb abuse were false  
 5 and misleading, as the CDC's 2016 Guideline, discussed below, confirm.

6 299. Ultimately, even if a physician prescribes opioids after screening for abuse risk,  
 7 advising a patient to taper, and selecting brand-name, abuse-deterrent formulations, chronic  
 8 opioid use still comes with significant risks of addiction and abuse. The Manufacturing  
 9 Defendants' statements to the contrary were designed to create a false sense of security and  
 10 assure physicians that they could safely prescribe potent narcotics to their patients.

11  
 12 **E. The Falseness of the Manufacturing Defendants' Claims Is Brought into Stark**  
 13 **Relief by the Work of the Washington Department of Labor and Industries.**

14 300. Contrary to the Manufacturing Defendants' misrepresentations about the benefits  
 15 and risks of opioids, growing evidence suggests that using opioids to treat chronic pain leads to  
 16 overall negative outcomes, delaying or preventing recovery and providing little actual relief, all  
 17 while presenting serious risks of overdose.

18 301. One place where this evidence surfaced is the Washington State Department of  
 19 Labor and Industries ("L&I"). The Department of L&I runs the state's workers' compensation  
 20 program, which covers all employees in the state, other than those who work for large companies  
 21 and government entities. In 2000, L&I's new chief pharmacist, Jaymie Mai, noticed an increase  
 22  
 23  
 24

25 <sup>175</sup> Press Release, Attorney General Eric T. Schneiderman, *A.G. Schneiderman Announces Settlement with Endo*  
 26 *Health Solutions Inc. & Endo Pharmaceuticals Inc. Over Marketing of Prescription Opioid Drugs* (Mar. 3, 2016),  
<https://ag.ny.gov/press-release/ag-schneiderman-announces-settlement-endo-health-solutions-inc-endo-pharmaceuticals>.



1 in prescription of opioids for chronic pain, approximately 50 to 100 cases a month.<sup>176</sup> It was then  
 2 that she discovered some of these same workers were dying from opioid overdoses. That workers  
 3 suffered back pain or sprained knees on the job was nothing new, but workers dying from their  
 4 pain medication was assuredly not. Mai reported what she was seeing to L&I's Medical Director,  
 5 Dr. Gary Franklin.<sup>177</sup>

7 302. In addition to being L&I's Medical Director, Dr. Franklin is a research professor  
 8 at the University of Washington in the departments of Environmental Health, Neurology, and  
 9 Health Services. Alarmed by Mai's finding, Dr. Franklin and Mai undertook a thorough analysis  
 10 of all recorded deaths in the state's workers' comp system. In 2005, they published their findings  
 11 in the American Journal of Industrial Medicine.<sup>178</sup>

12 303. Their research showed that the total number of opioid prescriptions paid for by  
 13 the Workers' Compensation Program tripled between 1996 and 2006.<sup>179</sup> Not only did the number  
 14 of prescriptions balloon, so too did the doses; from 1996 to 2002 the mean daily morphine  
 15 equivalent dose ("MED") nearly doubled, and remained that way through 2006.<sup>180</sup> As injured  
 16 Washington workers were given more prescriptions of more higher doses of opioids, the rates of  
 17 opioid overdoses among that population jumped, from zero in 1996 to more than twenty in 2005.  
 18  
 19  
 20  
 21

22 <sup>176</sup> Quinones, *supra* note 42, at 203.

23 <sup>177</sup> *Id.*

24 <sup>178</sup> Gary M. Franklin, M.D., MPH, Jaymie Mai, Pharm.D., Thomas Wickizer, Ph.D., Judith A. Turner, Ph.D.,  
 Deborah Fulton-Kehoe, Ph.D., MPH, and Linda Grant, BSN, MBA, *Opioid dosing trends and mortality in  
 Washington State Workers' Compensation, 1996-2002*, 48 Am J Ind Med 91-99 (2005).

25 <sup>179</sup> Gary M. Franklin, M.D., MPH, Jaymie Mai, Pharm.D., Thomas Wickizer, Ph.D., Judith Turner, Ph.D., Mark  
 Sullivan, M.D., Ph.D., Thomas Wickizer, Ph.D., and Deborah Fulton-Kehoe, Ph.D., *Bending the Prescription  
 Opioid Dosing and Mortality Curves: Impact of the Washington State Opioid Dosing Guideline*, 55 Am J Ind Med  
 26 325, 327 (2012).

<sup>180</sup> *Id.* at 327-28.

1 And in 2009, over thirty people receiving opioid prescriptions through the Workers'  
2 Compensation Program died of an opioid overdose.<sup>181</sup>

3 304. Armed with these alarming statistics, Dr. Franklin, in conjunction with other  
4 doctors in Washington, set out to limit the doses of opioids prescribed through the workers'  
5 compensation program. As part of that effort, in 2007 the Agency Medical Directors Group  
6 launched an Interagency Guideline on Opioid Dosing, aimed at reducing the numbers of opioid  
7 overdoses. Through this, and other related efforts, both the rates of opioid prescriptions and the  
8 sizes of doses have declined in Washington, beginning in 2009. As opioid prescriptions rates for  
9 injured workers have declined, so too has the death rate among this population.<sup>182</sup>

11 305. Dr. Franklin's research not only demonstrated the dangers of prescription opioids,  
12 but also showed that the use of opioids to treat pain after an injury actually prevents or slows a  
13 patient's recovery.

15 306. In a study he published in 2008, Dr. Franklin looked at Washington State  
16 employees who had suffered a low back injury on the job, and compared the impact of opioid  
17 prescriptions on the outcomes for these workers.

18 307. The results of his study were striking: after controlling for numerous variables,  
19 Dr. Franklin's research showed that if an injured worker was prescribed opioids soon after the  
20 injury, high doses of opioids, or opioids for more than a week, the employee was far more likely  
21 to experience negative health outcomes than the same employee who was not prescribed opioids  
22 in these manners.

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26 <sup>181</sup> *Id.* at 328.

<sup>182</sup> *Id.*

308. For example, the study showed that, after adjusting for the baseline covariates, injured workers who received a prescription opioid for more than seven days during the first six weeks after the injury were 2.2 times more likely to remain disabled a year later than workers with similar injuries who received no opioids at all. Similarly, those who received two prescriptions of opioids for the injury were 1.8 times more likely to remain disabled a year after their injury than workers who received no opioids at all. Those receiving daily doses higher than 150 MED more than doubled the likelihood of disability a year later, relative to workers who received no opioids.<sup>183</sup>

309. The results of this study are troubling: not only do prescription opioids present significant risks of addiction and overdose, but they also appear to hinder patient recovery after an injury.

310. This dynamic presents problems for employers, too, who bear significant costs when their employees do not recover quickly from workplace injuries. Employers are left without their labor force, and may be responsible for paying for the injured employee's disability for long periods of time.

**F. The 2016 CDC Guideline and Other Recent Studies Confirm That the Manufacturing Defendants' Statements About the Risks and Benefits of Opioids are Patently False.**

311. Contrary to the statements made by the Manufacturing Defendants in their well-orchestrated campaign to tout the benefits of opioids and downplay their risks, recent studies confirm the Manufacturing Defendants' statements were false and misleading.

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<sup>183</sup> Franklin, GM, Stover, BD, Turner, JA, Fulton-Kehoe, D, Wickizer, TM, *Early opioid prescription and subsequent disability among workers with back injuries: the Disability Risk Identification Study Cohort*, 33 Spine 199, 201-202.

1           312. The CDC issued its *Guideline for Prescribing Opioids for Chronic Pain* on March  
 2 15, 2016.<sup>184</sup> The 2016 CDC Guideline, approved by the FDA, “provides recommendations for  
 3 primary care clinicians who are prescribing opioids for chronic pain outside of active cancer  
 4 treatment, palliative care, and end-of-life care.” The Guideline also assesses the risks and harms  
 5 associated with opioid use.

6           313. The 2016 CDC Guideline is the result of a thorough and extensive process by the  
 7 CDC. The CDC issued the Guideline after it “obtained input from experts, stakeholders, the  
 8 public, peer reviewers, and a federally chartered advisory committee.” The recommendations in  
 9 the 2016 CDC Guideline were further made “on the basis of a systematic review of the best  
 10 available evidence . . .”

11           314. The CDC went through an extensive and detailed process to solicit expert  
 12 opinions for the Guideline:  
 13  
 14

15 CDC sought the input of experts to assist in reviewing the evidence and providing  
 16 perspective on how CDC used the evidence to develop the draft recommendations.  
 17 These experts, referred to as the “Core Expert Group” (CEG) included subject  
 18 matter experts, representatives of primary care professional societies and state  
 19 agencies, and an expert in guideline development methodology. CDC identified  
 20 subject matter experts with high scientific standing; appropriate academic and  
 21 clinical training and relevant clinical experience; and proven scientific excellence  
 22 in opioid prescribing, substance use disorder treatment, and pain management.  
 23 CDC identified representatives from leading primary care professional  
 24 organizations to represent the audience for this guideline. Finally, CDC identified  
 25 state agency officials and representatives based on their experience with state  
 26 guidelines for opioid prescribing that were developed with multiple agency  
 stakeholders and informed by scientific literature and existing evidence-based  
 guidelines.

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<sup>184</sup> 2016 CDC Guideline, *supra* note 31.

1           315. The 2016 Guideline was also peer-reviewed pursuant to “the final information  
2 quality bulletin for peer review.” Specifically, the Guideline describes the following independent  
3 peer-review process:

4           [P]eer review requirements applied to this guideline because it provides influential  
5 scientific information that could have a clear and substantial impact on public- and  
6 private-sector decisions. Three experts independently reviewed the guideline to  
7 determine the reasonableness and strength of recommendations; the clarity with  
8 which scientific uncertainties were clearly identified; and the rationale, importance,  
9 clarity, and ease of implementation of the recommendations. CDC selected peer  
10 reviewers based on expertise, diversity of scientific viewpoints, and independence  
11 from the guideline development process. CDC assessed and managed potential  
conflicts of interest using a process similar to the one as described for solicitation  
of expert opinion. No financial interests were identified in the disclosure and review  
process, and nonfinancial activities were determined to be of minimal risk; thus, no  
significant conflict of interest concerns were identified.

12           316. The findings in the 2016 CDC Guideline both confirmed the existing body of  
13 scientific evidence regarding the questionable efficacy of opioid use and contradicted  
14 Defendants’ statements about opioids.

15           317. For instance, the Guideline states “[e]xtensive evidence shows the possible harms  
16 of opioids (including opioid use disorder, overdose, and motor vehicle injury)” and that “[o]pioid  
17 pain medication use presents serious risks, including overdose and opioid use disorder.” The  
18 Guideline further confirms there are significant symptoms related to opioid withdrawal,  
19 including drug cravings, anxiety, insomnia, abdominal pain, vomiting, diarrhea, sweating,  
20 tremor, tachycardia (rapid heartbeat), spontaneous abortion and premature labor in pregnant  
21 women, and the unmasking of anxiety, depression, and addiction. These findings contradict  
22 statements made by Defendants regarding the minimal risks associated with opioid use,  
23 including that the risk of addiction from chronic opioid use is low.  
24

25           318. The Guideline also concludes that there is “[n]o evidence” to show “a long-term  
26 benefit of opioids in pain and function versus no opioids for chronic pain . . .” Furthermore, the

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1 Guideline indicates that “continuing opioid therapy for 3 months substantially increases the risk  
2 of opioid use disorder.” Indeed, the Guideline indicates that “[p]atients who do not experience  
3 clinically meaningful pain relief early in treatment . . . are unlikely to experience pain relief with  
4 longer-term use,” and that physicians should “reassess[] pain and function within 1 month” in  
5 order to decide whether to “minimize risks of long-term opioid use by discontinuing opioids”  
6 because the patient is “not receiving a clear benefit.” These findings flatly contradict claims  
7 made by the Defendants that there are minimal or no adverse impacts of long-term opioid use, or  
8 that long-term opioid use could actually improve or restore a patient’s function.  
9

10 319. In support of these statements about the lack of long-term benefits of opioid use,  
11 the CDC concluded that “[a]lthough opioids can reduce pain during short-term use, the clinical  
12 evidence review found insufficient evidence to determine whether pain relief is sustained and  
13 whether function or quality of life improves with long-term opioid therapy.” The CDC further  
14 found that “evidence is limited or insufficient for improved pain or function with long-term use  
15 of opioids for several chronic pain conditions for which opioids are commonly prescribed, such  
16 as low back pain, headache, and fibromyalgia.”  
17

18 320. With respect to opioid dosing, the Guideline reports that “[b]enefits of high-dose  
19 opioids for chronic pain are not established” while the “risks for serious harms related to opioid  
20 therapy increase at higher opioid dosage.” The CDC specifically explains that “there is now an  
21 established body of scientific evidence showing that overdose risk is increased at higher opioid  
22 dosages.” The CDC also states that there is an “increased risk[] for opioid use disorder,  
23 respiratory depression, and death at higher dosages.” As a result, the CDC advises doctors to  
24 “avoid increasing dosage” above 90 MME per day. These findings contradict statements made  
25  
26

1 by Defendants that increasing dosage is safe and that under-treatment is the cause for certain  
2 patients' aberrant behavior.

3 321. The 2016 CDC Guideline also contradicts statements made by Defendants that  
4 there are reliable risk-mitigation tactics to reduce the risk of addiction. For instance, the  
5 Guideline indicates that available risk screening tools "show insufficient accuracy for  
6 classification of patients as at low or high risk for [opioid] abuse or misuse" and counsels that  
7 doctors "should not overestimate the ability of these tools to rule out risks from long-term opioid  
8 therapy."  
9

10 322. Finally, the 2016 CDC Guideline states that "[n]o studies" support the notion that  
11 "abuse-deterrent technologies [are] a risk mitigation strategy for deterring or preventing abuse,"  
12 noting that the technologies—even when they work—"do not prevent opioid abuse through oral  
13 intake, the most common route of opioid abuse, and can still be abused by nonoral routes." In  
14 particular, the CDC found as follows:  
15

16 The "abuse-deterrent" label does not indicate that there is no risk for abuse. No  
17 studies were found in the clinical evidence review assessing the effectiveness of  
18 abuse-deterrent technologies as a risk mitigation strategy for deterring or  
19 preventing abuse. In addition, abuse-deterrent technologies do not prevent  
unintentional overdose through oral intake. Experts agreed that recommendations  
could not be offered at this time related to use of abuse-deterrent formulations.

20 Accordingly, the CDC's findings regarding "abuse-deterrent technologies" directly contradict  
21 Purdue and Endo's claims that their new pills deter or prevent abuse.

22 323. Notably, in addition to the findings made by the CDC in 2016, the Washington  
23 State Agency Medical Directors' Group (AMDG)—a collaboration among several Washington  
24 State Agencies—published its *Interagency Guideline on Prescribing Opioids for Pain* in 2015.  
25 The AMDG came to many of the same conclusions as the CDC did. For example, the AMDG  
26 found that "there is little evidence to support long term efficacy of [chronic opioid analgesic

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1 therapy, or “COAT”) in improving function and pain, [but] there is ample evidence of its risk for  
 2 harm . . . .”<sup>185</sup>

3 324. In addition, as discussed above, in contrast to Defendants’ statements that the  
 4 1980 Porter and Jick letter provided evidence of the low risk of opioid addiction in pain patients,  
 5 the NEJM recently published a letter largely debunking the use of the Porter and Jick letter as  
 6 evidence for such a claim.<sup>186</sup> The researchers demonstrated how the Porter and Jick letter was  
 7 irresponsibly cited and, in some cases, “grossly misrepresented,” when in fact it did not provide  
 8 evidence supporting the broad claim of low addiction risk for all patients prescribed opioids for  
 9 pain. As noted above, Dr. Jick reviewed only files of patients administered opioids in a hospital  
 10 setting, rather than patients sent home with a prescription for opioids to treat chronic pain.  
 11

12 325. The authors of the 2017 letter described their methodology as follows:  
 13

14 We performed a bibliometric analysis of this [1980] correspondence from its  
 15 publication until March 30, 2017. For each citation, two reviewers independently  
 16 evaluated the portrayal of the article’s conclusions, using an adaptation of an  
 17 established taxonomy of citation behavior along with other aspects of  
 18 generalizability . . . . For context, we also ascertained the number of citations of  
 19 other stand-alone letters that were published in nine contemporaneous issues of the  
 20 *Journal* (in the index issue and in the four issues that preceded and followed it).

21 We identified 608 citations of the index publication and noted a sizable increase  
 22 after the introduction of OxyContin (a long-acting formulation of oxycodone) in  
 23 1995 . . . . **Of the articles that included a reference to the 1980 letter, the authors  
 24 of 439 (72.2%) cited it as evidence that addiction was rare in patients treated  
 25 with opioids. Of the 608 articles, the authors of 491 articles (80.8%) did not  
 26 note that the patients who were described in the letter were hospitalized at the  
 time they received the prescription, whereas some authors grossly  
 misrepresented the conclusions of the letter . . . .** Of note, affirmational citations  
 have become much less common in recent years. In contrast to the 1980

<sup>185</sup> *Interagency Guideline on Prescribing Opioids for Pain*, Agency Med. Directors’ Group (June 2015),  
<http://www.agencymeddirectors.wa.gov/Files/2015AMDGOpoidGuideline.pdf>.

<sup>186</sup> Leung, et al., *supra* note 104.



correspondence, 11 stand-alone letters that were published contemporaneously by the Journal were cited a median of 11 times.<sup>187</sup> (Emphasis added).

326. The researchers provided examples of quotes from articles citing the 1980 letter, and noted several shortcomings and inaccuracies with the quotations. For instance, the researchers concluded that these quotations (i) “overstate[] conclusions of the index publication,” (ii) do[] not accurately specify its study population,” and (iii) did not adequately address “[l]imitations to generalizability.”<sup>188</sup>

Quote	Reference	Comment
"This pain population with no abuse history is literally at no risk for addiction."	Kowal N. What is the issue?: pseudoaddiction or undertreatment of pain. <i>Nurs Econ</i> 1996;17(6):346-9	
"In truth, however, the medical evidence overwhelmingly indicates that properly administered opioid therapy rarely if ever results in "accidental addiction" or "opioid abuse"."	Libby RT. Treating Doctors as Drug Dealers: The Drug Enforcement Administration's War on Prescription Painkillers. <i>The Independent Review</i> 2006;10(4):511-545.	
"Fear of addiction may lead to reluctance by the physician to prescribe. [...] However, there is no evidence that this occurs when prescribing opioids for pain."	Iles S, Catterall JR, Hanks G. Use of opioid analgesics in a patient with chronic abdominal pain. <i>Int J Clin Pract</i> 2002;56(3):227-8.	
"In reality, medical opioid addiction is very rare. In Porter and Jick's study on patients treated with narcotics, only four of the 11,882 cases showed psychological dependency."	Liu W, Xie S, Yue L, et al. Investigation and analysis of oncologists' knowledge of morphine usage in cancer pain treatment. <i>Onco Targets Ther</i> 2014;7:729-37.	Overstates conclusions of the index publication does not accurately specify its study population. Limitations to generalizability are not otherwise explicitly mentioned.
"Physicians are frequently concerned about the potential for addiction when prescribing opiates; however, there have been studies suggesting that addiction rarely evolves in the setting of painful conditions."	Curtis LA, Morrell TD, Todd KH. Pain Management in the Emergency Department 2006;8(7).	
"Although medicine generally regards anecdotal information with disdain (rigorously controlled double-blind clinical trials are the "gold standard"), solid data on the low risk of addiction to opioid analgesics and the manageability of adverse side effects have been ignored or discounted in favor of the anecdotal, the scientifically unsupported, and the clearly fallacious."	Rich BA. Prioritizing pain management in patient care. Has the time come for a new approach. <i>Postgrad Med</i> 2001;110(3):15-7.	
"The Boston Drug Surveillance Program reviewed the charts of nearly 12,000 cancer pain patients treated over a decade and found only four of them could be labeled as addicts."	Levy MH. Pharmacologic management of cancer pain. <i>Semin Oncol</i> 1994;21(6):718-39.	Incorrectly identifies the index study population as cancer patients; does not otherwise address limitations to generalizability.

<sup>187</sup> *Id.* (emphasis added).

<sup>188</sup> Supplementary Appendix to Pamela T.M. Leung, B.Sc. Pharm., Erin M. Macdonald, M.Sc., Matthew B. Stanbrook, M.D., Ph.D., Irfan Al Dhallal, M.D., David N. Juurlink, M.D., Ph.D., *A 1980 Letter on the Risk of Opioid Addiction*, 376 *N Engl J Med* 2194-95 (June 1, 2017), [http://www.nejm.org/doi/suppl/10.1056/NEJMc1700150/suppl\\_file/nejmc1700150\\_appendix.pdf](http://www.nejm.org/doi/suppl/10.1056/NEJMc1700150/suppl_file/nejmc1700150_appendix.pdf).

327. Based on this review, the researchers concluded as follows:

[W]e found that a five-sentence letter published in the Journal in 1980 was heavily and uncritically cited as evidence that addiction was rare with long-term opioid therapy. We believe that this citation pattern contributed to the North American opioid crisis by helping to shape a narrative that allayed prescribers' concerns about the risk of addiction associated with long-term opioid therapy. In 2007, the manufacturer of OxyContin and three senior executives pleaded guilty to federal criminal charges that they misled regulators, doctors, and patients about the risk of addiction associated with the drug. Our findings highlight the potential consequences of inaccurate citation and underscore the need for diligence when citing previously published studies.<sup>189</sup>

328. These researchers' careful analysis demonstrates the falsity of Defendants' claim that this 1980 letter was evidence of a low risk of addiction in opioid-treated patients. By casting this letter as evidence of low risk of addiction, Defendants played fast and loose with the truth, with blatant disregard for the consequences of their misrepresentations.

**G. Sales Representatives Knew or Should Have Known their Representations Regarding the Safety and Efficacy of Prescription Opioids Were False and Misleading.**

329. As discussed above, sales representatives also played a key role in promoting the Manufacturing Defendants' opioids. These sales representatives routinely visited physicians, nurses, pharmacists, and others in the medical community to deliver the Manufacturing Defendants' messages about the safety and efficacy of opioids. In face-to-face meetings, sales representatives would urge doctors to prescribe opioids to their patients for a wide range of ailments, making the same types of misrepresentations the Manufacturing Defendants made, as detailed above.

330. But these sales representatives were not simple conduits of information, merely passing on what they believed to be good scientific information to doctors. Instead, the sales

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<sup>189</sup> Leung, et al., *supra* note 104.

1 representatives knew, or should have known, that they were making false and misleading  
 2 statements and providing untrue information to doctors and others about opioids.

3 331. Former sales representative Steven May, who worked for Purdue from 1999 to  
 4 2005, explained to a journalist how he and his coworkers were trained to overcome doctors'  
 5 objections to prescribing opioids. The most common objection he heard about prescribing  
 6 OxyContin was that "it's just too addictive."<sup>190</sup> May memorized this line from the drug's label:  
 7 "The delivery system is believed to reduce the abuse liability of the drug." He repeated that line  
 8 to doctors even though he "found out pretty fast that it wasn't true."<sup>191</sup> He and his coworkers  
 9 learned quickly that people were figuring out how to remove the time-releasing coating, but they  
 10 continued making this misrepresentation until Purdue was forced to remove it from the drug's  
 11 label. In addition, May explained, he and his coworkers were trained to "refocus" doctors on  
 12 "legitimate" pain patients, and to represent that "legitimate" patients would not become addicted.  
 13 In addition, they were trained to say that the 12-hour dosing made the extended-release opioids  
 14 less "habit-forming" than painkillers that need to be taken every four hours. The Manufacturing  
 15 Defendants knew or should have known that such statements were false and misleading, yet they  
 16 continued to make them.

17 332. Sales representatives also quickly learned that the prescription opioids they were  
 18 promoting were dangerous. For example, May had only been at Purdue for two months when he  
 19 found out that a doctor he was calling on had just lost a family member to an OxyContin  
 20 overdose.<sup>192</sup> And as another sales representative wrote on a public forum:

21  
 22  
 23  
 24  
 25 <sup>190</sup> David Remnick, *How OxyContin Was Sold to the Masses* (Steven May interview with Patrick Radden Keefe),  
 New Yorker (Oct. 27, 2017), [https://www.newyorker.com/podcast/the-new-yorker-radio-hour/how-oxycontin-](https://www.newyorker.com/podcast/the-new-yorker-radio-hour/how-oxycontin-was-sold-to-the-masses)  
 26 [was-sold-to-the-masses](https://www.newyorker.com/podcast/the-new-yorker-radio-hour/how-oxycontin-was-sold-to-the-masses).

<sup>191</sup> Keefe, *supra* note 56.

<sup>192</sup> Remnick, *supra* note 190.

1 Actions have consequences - so some patient gets Rx'd the 80mg OxyContin when  
2 they probably could have done okay on the 20mg (but their doctor got "sold" on  
3 the 80mg) and their teen son/daughter/child's teen friend finds the pill bottle and  
4 takes out a few 80's... next they're at a pill party with other teens and some kid  
5 picks out a green pill from the bowl... they go to sleep and don't wake up (because  
6 they don't understand respiratory depression) Stupid decision for a teen to  
7 make...yes... but do they really deserve to die?

8 333. Sales representatives knew or should have known the potential consequences of  
9 pushing potent doses of opioids for chronic pain and other common indications.

10 334. These sales representatives targeted their efforts at local doctors in Washington  
11 State, such as, for example, Dr. Frank Li, the former medical director of several pain clinics  
12 (including one in Vancouver, Washington) who eventually had his medical license suspended for  
13 improperly prescribing opioids. Indeed, during detailers' frequent visits to Dr. Li, they often  
14 noted circumstances that should have led them to discontinue sales calls and report Dr. Li and his  
15 staff to the appropriate authorities. Instead, they continued to target him for detailing visits that  
16 incited him to prescribe even more opioids, with disastrous consequences for public health.

17 335. In addition, detailers told providers at Dr. Li's clinic that the Washington State  
18 opioid prescription guidelines were wrong and overly conservative, including those related to  
19 calculating the relative strength of different brands of opioids. These detailers often urged Dr.  
20 Li's staff to give patients more opioids, and particular brands of opioids, even when this was  
21 incorrect or conflicted with Washington State guidelines or other medical information.

22 336. Purdue's sales call notes also repeatedly reference how busy Dr. Li and his staff  
23 were—which, combined with the exceptionally high number of opioid prescriptions written by  
24 Dr. Li, should have been another red flag that OxyContin and other opioids were likely being  
25 abused.  
26

1           337. The Manufacturing Defendants’ sales representatives also provided health care  
 2 providers, including those in Clark County, with pamphlets, visual aids, and other marketing  
 3 materials designed to increase the rate of opioids prescribed to patients. These sales  
 4 representatives knew the doctors they visited relied on the information they provided, and that  
 5 the doctors had minimal time or resources to investigate the materials’ veracity independently.  
 6

7           338. Sales representatives were also given bonuses when doctors whom they had  
 8 detailed wrote prescriptions for their company’s drug. Because of this incentive system, sales  
 9 representatives stood to gain significant bonuses if they had a pill mill in their sales region.<sup>193</sup>  
 10 Sales representatives could be sure that doctors and nurses at pill mills would be particularly  
 11 receptive to their messages and incentives, and receive “credit” for the many prescriptions these  
 12 pill mills wrote.  
 13

14 **H. Defendants’ Overpromotion and Excessive Distribution of Prescription Opioids  
 Resulted in Pill Mills and Overprescribing Doctors in Clark County.**

15           339. As discussed above, “pill mills” were a foreseeable consequence of Defendants’  
 16 aggressive promotion and excessive distribution of addictive opioids, and both the  
 17 Manufacturing Defendants and the Distributor Defendants profited from the massive quantities  
 18 of opioids moved through such clinics and pharmacies. As in other communities around the  
 19 country, pill mills appeared in Clark County. The actions of other entities and individuals in  
 20 Clark County further highlight the egregious misrepresentations made by Defendants.  
 21  
 22  
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26 <sup>193</sup> Indeed, Defendants often helped their sales representatives find and target such pill mills. As recently as 2016, Purdue commissioned a marketing study to help target Washington prescribers and spread its deceptive message regarding opioids, and on information and belief, utilized its sale representatives to carry out these strategies.

340. In or around April 2005, nurse practitioners Kelly Bell and Scott Pecora established the Payette Clinic in Vancouver, Clark County, Washington.<sup>194</sup> In Washington State, nurse practitioners are independent providers and do not need to work under the authority of a physician.<sup>195</sup> As advanced nurse practitioners, Bell and Pecora also had the authority to prescribe controlled substances. The Payette Clinic was operated as a medical and mental health clinic. Of its 2,500 patients, 900 were pain patients.

341. Payette Clinic prescribed more narcotics to Medicaid patients than any other private clinic in Washington.<sup>196</sup> Rather than acting in the best interest of her patients, however, Bell—like the other Defendants—sought to advance her own financial interests and the interests of the Payette Clinic at the expense of her patients. Indeed, like doctors at other pill mills across the country who overprescribed prescription opioids, Bell sought to maximize the amount of prescriptions she wrote for her patients.

342. Prior to opening the Payette Clinic, Bell was employed by Fisher’s Landing Urgent and Family Care in Vancouver, Washington. In February 2005, a pharmacy manager at Walgreens filed a complaint against Bell for prescribing 2,216 oxycodone pills to a patient in approximately two months. “I cannot believe this could be for legitimate medical purposes,” the manager wrote to the Health Department.<sup>197</sup>

343. Yet, despite prior complaints and being fired from Fisher’s Landing for “unprofessional conduct,” Bell continued her illegitimate prescribing practices at the Payette

<sup>194</sup> Marissa Harshman, *Vancouver’s former Payette Clinic: A Legacy of Pain*, The Columbian. (Feb. 4, 2012, 4:00pm), <http://www.columbian.com/news/2012/feb/04/vancouvers-former-payette-clinic-a-legacy-of-pain/>.

<sup>195</sup> *Id.*

<sup>196</sup> Michael Berens and Ken Armstrong, *Vancouver pain clinic leaves behind doubts, chaos and deaths*, The Seattle Times (Dec. 12, 2011, 10:16pm), <https://www.seattletimes.com/seattle-news/vancouver-pain-clinic-leaves-behind-doubts-chaos-and-deaths/>.

<sup>197</sup> *Id.*

1 Clinic. In a deposition, Bell admitted that she did not have a policy about obtaining a patient's  
 2 prior medical records before treating them at the Payette Clinic, nor any guidelines regarding the  
 3 amount of opioids to be prescribed to patients or for identifying addiction in patients.<sup>198</sup>

4 344. As one prior patient, Trina Munson, recalled, she arrived at the Payette Clinic to  
 5 find people waiting in the parking lot for the clinic to open. As the local paper reported, Munson  
 6 explained that "[n]ew patients knew they could hand over \$400 cash and, with no previous  
 7 medical records, walk out of the clinic with a prescription for narcotics."<sup>199</sup>

8 345. In 2007, four patients treated at the Payette Clinic fatally overdosed. In addition,  
 9 the Washington State Department of Health became aware of at least six other overdose deaths  
 10 of individuals who were prescribed painkillers at Payette. The State of Washington received over  
 11 thirty-six complaints against Bell's conduct. She was accused of excessive narcotics prescribing.  
 12

13 346. Concern over the Payette Clinic's conduct resulted in an investigation. In March  
 14 2009, the DEA raided the Payette Clinic. That same month, Bell and Pecora surrendered their  
 15 privileges to prescribe controlled substances and other narcotics to the DEA.  
 16

17 347. As a result of these egregious practices, in December 2009, Bell's Washington  
 18 privileges to prescribe Schedule II drugs (such as oxycodone, morphine and methadone) were  
 19 suspended for twenty-four months.  
 20

21 348. Patients of the Payette Clinic were given opioids inappropriately, with little  
 22 supervision, and in significant amounts. The Payette Clinic in Clark County was ultimately shut  
 23 down due to violations around prescribing and distributing large amounts of opioids.  
 24  
 25

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26 <sup>198</sup> Harshman, *supra* note 194.

<sup>199</sup> *Id.*



1           349. Defendants knew or should have known about the misconduct of the Payette  
2 Clinic. Yet, they did nothing to stop and in fact encouraged the Payette Clinic to prescribe more  
3 pills, causing irreparable damage to the community.

4           350. Another pill mill in Clark County was the Seattle Pain Center (SPC) operated by  
5 Dr. Frank Li. The now-shuttered SPC operated clinic locations throughout Washington,  
6 including a location in Vancouver, Washington.

7           351. Dr. Li, an anesthesiologist and board-certified pain specialist, established SPC in  
8 2008. SPC represented itself as a pain treatment center focused on “finding treatment alternatives  
9 to narcotic pain medications” by incorporating “emerging best practices.” It often employed  
10 newly licensed practitioners with little experience.<sup>200</sup>

11           352. In addition, as the owner of SPC and employer for all the clinic providers, Dr. Li  
12 established the business model, treatment protocols, and training for treating chronic pain  
13 patients. Rather than acting in the best interest of his patients, however, Dr. Li—like the  
14 Manufacturing and Distributor Defendants—sought to advance his own financial interests and  
15 the interests of SPC at the expense of SPC patients.

16           353. In order to maximize revenue, Dr. Li encouraged general practitioners throughout  
17 Washington State to refer their “most difficult pain patients” to SPC. But he failed to ensure that  
18 SPC had the requisite policies and procedures, infrastructure, and qualified pain management  
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<sup>200</sup> Purdue sales representatives targeted these non-physicians with their marketing campaigns. For example, sales call notes reflect plans to “[a]sk for his [Dr. Li’s] permission to visit Gwen more often to be a resource to their clinic” and “[g]ain his approval to allow Gwen to start more appropriate patients on Butrans,” as well as the “[n]eed to continue to build relationship with full time staff on [sic] office,” and that the representative “covered Partners Against Pain reference booklet that [Dr. Li] had requested to be delivered to his new mid-level practitioners.”



1 specialists necessary to serve the large number of patients referred to his practice who needed  
2 more than a prescription of opioids with little or no efficacy to meet their needs.<sup>201</sup>

3 354. In fact, Dr. Li had a practice of hiring providers with little or no experience in  
4 treating chronic noncancer pain. Training was virtually non-existent. New SPC hires still  
5 awaiting accreditation often treated patients without supervision.  
6

7 355. SPC prescribers often used opioids as the exclusive method to treat chronic non-  
8 cancer pain without even exploring other treatment options. Medicaid records show that  
9 approximately 85% of SPC patients received opioid treatment and that Dr. Li and several of his  
10 subordinates were among the top providers of opioids in the state.<sup>202</sup>

11 356. SPC pressured its practitioners to work fast and write prescriptions routinely.  
12 Every provider was required to see eighteen to twenty patients per eight hours. As such, SPC  
13 providers could not conduct meaningful medical examinations to determine an appropriate  
14 course of treatment, and in fact were discouraged from doing so.  
15

16 357. Pressured to fill opioid prescriptions at an alarmingly fast rate, SPC practitioners  
17 routinely disregarded signs of abuse. SPC collected urine samples on every visit, a practice  
18 served to increase medical billings. The test results themselves were consistently disregarded and  
19 patients who tested positive for illicit drug abuse—or negative for opioids, suggesting that those  
20 patients were seeking opioids to them resell on the street—were nonetheless permitted to  
21 continue opioid therapy.  
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25 <sup>201</sup> Attorney General of Washington, Medical Fraud Unit, Memorandum re Unprofessional conduct complaint  
26 against Dr. Frank D. Li, at 1-2 (May 12, 2015), <https://www.documentcloud.org/documents/2996985-MFCU-Complaint.html>.

<sup>202</sup> *Id.*

358. Witnesses with knowledge of Dr. Li and SPC's practices indicated that SPC became "well known amongst opioid addicts and other drug seekers as an easy place to get drugs."<sup>203</sup> And such addicts flocked to SPC clinic, sometimes travelling large distances from all over the state and region. Ultimately, SPC served over 25,000 patients, many of whom obtained opioids from SPC after being rejected by practitioners at other facilities.

359. SPC's opioid prescriptions were extraordinarily high. For example, from 2007 to 2016, Dr. Li alone wrote 2,958 OxyContin prescriptions. Tragically, at least sixty SPC patients died between 2010 and 2015. The Medical Quality Assurance Commission (MQAC) investigated eighteen of these deaths, and found that sixteen of them "listed acute drug intoxication as a cause or likely cause or likely contributing cause of death." In short, these SPC patients died of overdose—often shortly after filling their final prescriptions for opioids. Most SPC locations closed in July 2016, after the Washington State Medical Commission suspended Dr. Li's license.

360. The Medicaid Fraud Control Unit ultimately concluded that SPC and Li utilized "[p]rolonged oral opioid therapy at dosages greatly exceeding 120 MED without evidence of functional improvement"; used "unaccredited, inexperienced, and inadequately trained and supervised ARNPs to care for complex, high risk patients"; issued "[h]igh opioid dosage rates"; and inflicted "[w]ide-spread and significant patient harm including the intentional overdose opioid deaths of many Medicaid patients."<sup>204</sup>

361. SPC was also the target of a concerted marketing effort by Purdue to promote its brand-name drugs and opioids in general. Dr. Li and SPC staff received numerous sales calls and

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<sup>203</sup> *Id.*

<sup>204</sup> *Id.* at 12.

1 visits, including lunches. Purdue also invited Dr. Li, at his request, to dinner programs. Finally,  
2 Purdue supplied Dr. Li and the mid-level practitioners he employed with its “educational”  
3 materials promoting opioids, including Partners Against Pain.

4           362. Patients of SPC and Dr. Li were ultimately given opiates inappropriately, with  
5 little supervision, and in significant amounts that may also have send the powerful medications  
6 on the street to be sold.

7           363. The prescribers and clinics listed above demonstrate how effectively Purdue  
8 targeted its deceptive practices at Washington health care providers, and Defendants’ significant  
9 influence on their opioid prescribing habits.

10           364. As set forth above, the Manufacturing and Distributor Defendants knew that the  
11 Payette Clinic and SPC were operating pill mills. The Manufacturing and Distributor Defendants  
12 maintain highly sophisticated databases that track where their drugs are being prescribed, in what  
13 quantities, and by whom. Indeed, this IMS data was utilized by the Manufacturing Defendants to  
14 track which authorized prescribers they need to direct more resources to in order to increase their  
15 prescription habits.

16           365. Based on this data, these Defendants knew or should have known that the Payette  
17 Clinic and Ms. Bell, and the SPC and Dr. Li were doling out prescriptions for a significant  
18 number of their patients in high and unreasonable quantities. Nevertheless, Defendants did not  
19 stop the Payette Clinic or SPC. Thus, any suggestion that the problems caused by the Payette  
20 Clinic and Ms. Bell, and the SPC and Dr. Li relieve the Defendants of liability is dubious at best.

21           366. The Payette Clinic and SPC Vancouver are two examples of egregious  
22 overprescribing of opioids in Clark County. The Manufacturing and Distributor Defendants  
23  
24  
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26

1 knew or should have known that these pill mills were funneling excessive quantities of  
 2 dangerous opioids into Clark County.

3 **I. Clark County Has Been Directly Affected by the Opioid Epidemic Caused by**  
 4 **Defendants.**

5 367. Clark County, located in southwest Washington State, has approximately 471,000  
 6 residents.<sup>205</sup> It is the fifth largest county in Washington State.

7 368. Much like the rest of the United States, Clark County has felt the profound  
 8 consequences of the opioid epidemic. As a direct result of Defendants' aggressive marketing  
 9 scheme and failure to stop the flood of prescription opioids, Clark County has suffered  
 10 significant and ongoing harms—harms that will continue well into the future. Each day that  
 11 Defendants continue to evade responsibility for the epidemic they caused, the County must  
 12 continue allocating substantial resources to address it.

13 369. Opioid use has reached crisis levels across the country and Clark County is not  
 14 immune to national trends. The overall number of opioid-related deaths in Clark County  
 15 continues to climb. Between 2002-2004 and 2011-2013, the number of deaths attributed to  
 16 opioids rose 57.9%.<sup>206</sup> From 2008 to 2010, there were 57 opioid-related deaths in Clark  
 17 County.<sup>207</sup> And between 2012 and 2016, as noted above, nearly 200 people in Clark County died  
 18 because of opioid use.  
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 20  
 21  
 22  
 23

24 <sup>205</sup> April 1, 2017 Population of Cities, Towns and Counties Used for Allocation of Selected State Revenues - State of  
 25 Washington, [https://www.ofm.wa.gov/sites/default/files/public/legacy/pop/april1/ofm\\_april1\\_population\\_final.pdf](https://www.ofm.wa.gov/sites/default/files/public/legacy/pop/april1/ofm_april1_population_final.pdf)  
 (last visited Mar. 22, 2018).

26 <sup>206</sup> *Opioid Trends Across Washington State*, U. of Wash. Alcohol & Drug Abuse Inst. (Apr. 2015),  
<http://adai.uw.edu/pubs/infobriefs/ADAI-IB-2015-01.pdf>.

<sup>207</sup> *Prescription Opiates and Heroin – Clark County*, U. of Wash. Alcohol & Drug Abuse Inst.  
[http://www.adai.uw.edu/wastate/opiates/clark\\_opiates\\_2010.pdf](http://www.adai.uw.edu/wastate/opiates/clark_opiates_2010.pdf) (last visited Mar. 19, 2018).

1 370. Clark County has seen a corresponding rise in the number of people entering  
 2 treatment for opioid use. Between 2002-2004 and 2011-2013, publicly funded treatment  
 3 admissions involving any opioid grew 246.1%.<sup>208</sup>

4 371. According to the Healthy Youth Survey, 4% of 10th graders and 6% of 12th  
 5 graders reported using painkillers to get high within the last thirty days.<sup>209</sup> Six percent of 10th  
 6 graders and 10% of 12th graders also reported using prescription drugs that were not prescribed  
 7 to them in the last month.<sup>210</sup>

8 372. Clark County has been working to confront the emergency caused by Defendants'  
 9 reckless promotion and distribution of prescription opioids. The costs described in the following  
 10 sections are illustrative but certainly not exhaustive examples of the significant burden the opioid  
 11 crisis has imposed on the County.  
 12

13 **1. Clark County health care and substance abuse treatment services have**  
 14 **incurred enormous costs in dealing with the crisis caused by Defendants.**

15 373. In 2014, Clark County Public Health implemented an Overdose Prevention  
 16 Program to train staff and volunteers at the Clark County Harm Reduction Center to administer  
 17 and distribute naloxone to persons at risk of experiencing or witnessing an opioid overdose. The  
 18 overdose management training curriculum administered by staff and volunteers includes  
 19 overdose prevention techniques, recognizing signs and symptoms of overdose, calling 9-1-1 and  
 20 the Good Samaritan Law, rescue breathing, naloxone storage, carrying, and administration, and  
 21 post-overdose follow-up and care. The program's naloxone kits contain naloxone, syringes,  
 22 rescue breathing mask, alcohol pads, gloves, and instructions. Within its first two years of  
 23  
 24

25 <sup>208</sup> *Opioid Trends Across Washington State*, *supra* note 206.

26 <sup>209</sup> *Healthy Youth Survey Fact Sheet, Clark County*, Wash. Healthy Youth Coalition (2014),  
<http://www.adai.uw.edu/wastate/HYS/2014%20Clark.pdf>.

<sup>210</sup> *Id.*

1 operation, the program had educated 583 people, distributed 1,459 naloxone kits, and  
 2 documented 293 overdose reversals.<sup>211</sup>

3 374. In 2016, the National Association of County and City Health Officials recognized  
 4 Clark County Public Health with a Model Practice Award for this program. Clark County Public  
 5 Health was one of only nineteen local health departments nationwide to receive the award  
 6 following a peer-review process by public health professionals.<sup>212</sup>

7 375. Clark County Public Health also operates a Needle Exchange within its Harm  
 8 Reduction Center. The Needle Exchange provides access to sterile syringes and offers supplies to  
 9 people who use injection drugs to help reduce the spread of disease in the community.<sup>213</sup> In  
 10 2014, the Needle Exchange collected and safely disposed of approximately 1.1 million used  
 11 syringes.  
 12

13 376. Clark County also has nine drug take-back locations throughout the County,  
 14 primarily at law enforcement sites.<sup>214</sup> These drug take-back sites are essential in providing a safe,  
 15 convenient, and responsible way to dispose of prescription opioids and minimize the potential for  
 16 abuse and diversion.  
 17

18 377. Clark County's Community Services Department (DCS) provides services to the  
 19 most vulnerable populations in Clark County. DCS and the people and communities it serves are  
 20 also at the center of the opioid crisis.  
 21

22  
 23  
 24 <sup>211</sup> *Public Health Receives National Award for Overdose Prevention Program*, Clark County, Washington (July 20,  
 25 2016) [https://www.clark.wa.gov/public-health/public-health-receives-national-award-overdose-prevention-](https://www.clark.wa.gov/public-health/public-health-receives-national-award-overdose-prevention-program)  
 26 [program](https://www.clark.wa.gov/public-health/public-health-receives-national-award-overdose-prevention-program).

<sup>212</sup> *Id.*

<sup>213</sup> *Needle Exchange*, Clark County, Washington Public Health, [https://www.clark.wa.gov/public-health/needle-](https://www.clark.wa.gov/public-health/needle-exchange)  
[exchange](https://www.clark.wa.gov/public-health/needle-exchange) (last visited Mar. 19, 2018).

<sup>214</sup> *Take Back Your Meds*, <http://www.takebackyourmeds.org/search-by-list/> (last visited Mar. 19, 2018).

1           378. DCS contracts with treatment providers in Clark County to provide critical  
2 services.

3           379. DCS has spent a significant amount of time working and planning with the  
4 community to develop within Clark County a crisis triage and stabilization center, which will  
5 have a secure detox facility.

6           380. DCS has also spent money on funding naloxone kits for overdose reversal that  
7 have been primarily distributed to law enforcement.

8           381. In addition, DCS dedicates resources to substance abuse prevention among Clark  
9 County youth. For example, DCS runs the STASHA Peer Education Program. The STASHA  
10 (Strong Teens Against Substance Hazards and Abuse) group is comprised of youth ages 12-19  
11 who have never used drugs and alcohol, who have past experimentation/use, and who have  
12 completed treatment and are now in recovery. The peer educators promote awareness of  
13 substance abuse risks, serve as resources for their peers, address county groups on potential  
14 community-wide solutions, and support programs and policies that encourage healthy and  
15 positive youth behavior.

16           382. DCS also provides outreach to the community to respond to psychiatric  
17 emergencies and is responsible for implementing involuntary treatment. Over the last few years,  
18 DCS has noticed a significant increase in the number of individuals with mental illnesses who  
19 are also struggling with opioid addiction.

20           383. This increase has been partially responsible for the implementation of involuntary  
21 treatment for individuals who are in imminent danger due to a substance use disorder. Beginning  
22 in April 2018, DCS will begin to seek civil commitment of individuals to secure detox centers if  
23 their substance use is placing them in imminent danger of serious harm to self or others.

1           **2. The opioid epidemic has also contributed to the homelessness crisis in Clark**  
 2           **County.**

3           384. Another particularly visible effect of the opioid epidemic in Clark County is the  
 4 growing homeless population. In recent years, Clark County's homeless population has increased  
 5 significantly. Although the causes of homelessness are multi-faceted and complex, substance  
 6 abuse is both a contributing cause and result of homelessness. Opioid-use disorder is a  
 7 significant factor that prevents someone from maintaining economic well-being and housing  
 8 stability. The Homeless Crisis Response System incurs costs in the form of housing placement,  
 9 rental assistance, job training, and housing stability and case management.

10           385. According to the annual Point-In-Time Count, homelessness grew by 8% in Clark  
 11 County from 2016 to 2017.<sup>215</sup> In 2017, there were 749 homeless individuals in Clark County,  
 12 including 234 children. In 2016, a total of 692 people were counted.<sup>216</sup> From 2015 to 2016 there  
 13 was a 15% increase in the number of families and children requesting emergency shelter. The  
 14 number of unsheltered people increased 18% from 228 people in 2016 to 269 people in 2017.<sup>217</sup>

15           386. Another way to evaluate the growth is the number of people experiencing  
 16 homelessness is to look at the number of new homeless people that contact the Council for  
 17 Homelessness seeking services. Between October 2, 2015, and September 30, 2016, there were  
 18 1,437 new people entered into the system.

19           387. The Homeless Management Information System (HMIS) for Clark County  
 20 indicates that of the 1,946 persons who entered shelter or a day center in 2017, 130 people or  
 21 6.6% self-disclosed an addiction disability. Further, according to HUD's annual 2016  
 22  
 23  
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25 <sup>215</sup> Patty Hastings, *Point in Time count: Homeless population up 8 percent*, The Columbian (May 5, 2017, 5:56pm),  
 26 <http://www.columbian.com/news/2017/may/05/point-in-time-count-homeless-population-up-8-percent/>.

<sup>216</sup> *Id.*

<sup>217</sup> *Id.*



1 Homelessness Awareness Report, approximately one in five people experiencing homelessness  
2 had a chronic substance use disorder.

3 **3. The criminal justice system has incurred substantial costs in responding to**  
4 **the epidemic caused by Defendants.**

5 **a. Clark County Sheriff's Office**

6 388. The Clark County Sheriff's Office (CCSO) protects and safeguards the  
7 community by upholding and enforcing the law, enhancing public safety through sound  
8 correctional practices and serving the public through effective civil process. The Sheriff's Office  
9 ensures the safety of the entire County.

10 389. CCSO expends enormous resources fulfilling its critical missions. A significant  
11 portion of those resources are devoted to addressing and responding to the crisis caused by  
12 Defendants.

14 390. As the presence of illicitly obtained prescription opioids and heroin has increased  
15 in the County, so too have opioid-related calls for services. For example, patrol deputies have  
16 responded to an increased frequency of overdose calls, have increasingly responded to drug-  
17 related assaults, and there have been increased arrests for possession of heroin and other opioids.  
18 Arrests for such crimes have resulted in increased drug lab submissions.

20 391. CCSO encounters persons impacted by opioid use and abuse daily. On at least a  
21 weekly basis, they encounter individuals because of opioid overdoses or arrests for possession of  
22 opioids. In addition, police assistance to fire and ambulance personnel in transporting individuals  
23 experiencing overdoses to the hospital is often required.

24 392. The types of drugs brought into the community, including fentanyl, have  
25 dramatically affected the staffing and mission of the Regional Drug Task Force.  
26

1           393. There are also increased reports of needles found in public places, which are both  
2 a public health hazard and an officer safety hazard.

3           394. Given the high price of prescription opioids on the black market, individuals with  
4 opioid-use disorder can turn to burglary and other property crimes, including retail theft and car  
5 prowls.  
6

7           395. CCSO has also expended additional resources training officers regarding how to  
8 safely address exposure to used needles (which can carry blood-borne pathogens), fentanyl, and  
9 carfentanil (a powerful derivative of fentanyl). For example, CCSO has purchased specialized  
10 personal protective equipment for deputies (due to heroin/fentanyl exposure), and purchased  
11 specialized personal protective equipment for evidence technicians processing the seized  
12 evidence. Specialized drug testing equipment has also been purchased for the deputies because of  
13 the risk of heroin/fentanyl exposure.  
14

15           396. In 2017, Clark County spent \$99,163 on opioid evidence and testing supplies. In  
16 2016, CCSO spent \$7,920 on opioid overdose training costs. That number rose to \$12,616 in  
17 2017.

18           397. These numbers, however, are just a fraction of CCSO's costs from addressing the  
19 consequences of the opioid crisis. Over the last three years, CCSO estimates that it spent a total  
20 of \$5,574,864 responding to the opioid crisis:  
21  
22  
23  
24  
25  
26

	2015	2016	2017
Opioid Kits		\$10,155	\$5,655
Opioid Evidence & Testing Supplies			\$99,163
Jail Costs	\$1,722,100	\$1,942,931	\$1,547,412
Enf Costs	\$68,838	\$85,920	\$49,551
Opioid Overdose Training costs		\$7,920	\$12,616
Deescalation, Drug Abuse Training	\$6,160	\$8,265	\$8,178
<b>TOTAL</b>	<b>\$1,797,098</b>	<b>\$2,055,191</b>	<b>\$1,722,575</b>

398. CCSO also estimates that over the three-year period of 2015-2017, total property loss to victims arising from opioid-related suspects was more than \$1 million annually.

399. Although CCSO has observed a downward trend in drug-arrest-related costs, it has experienced an increase in the costs related to the lingering effects of opioid abuse connected with mental health and homelessness-related calls.

400. Naloxone kits are also distributed to CCSO deputies who then administer or deploy them. Naloxone is an expensive medication utilized to reverse an opioid overdose, and the County has incurred significant costs to ensure this life-saving drug is available to its deputies. For example, over the last two years the County spent \$16,000 distributing naloxone kits to deputies. The County also spent over \$72,000 for specialized drug-testing equipment.

401. There is an increased frequency of hypodermic needles found in the Sheriff's Office and County public restrooms. The CCSO and County installed sharps containers in the restrooms for the disposal of such needles and eventually began locking the public restrooms adjacent to the jail visiting lobby and in all public restrooms in the County's main Public Service Center building.

1           402. Law enforcement resources devoted to combatting the attending crimes associated  
2 with the opioid epidemic also result in fewer resources for the prevention and investigation of  
3 other public safety matters.

4                   **b. Clark County Jail**

5           403. Clark County jail incurs additional costs as a result of the opioid epidemic. Clark  
6 County jail has experienced increased incarcerations for individuals arrested for possession of a  
7 controlled substance. Further, the jail has experienced an increase in positive test results for  
8 inmate drug use. Also, during the initial booking process more individuals are admitting to drug  
9 use and drug dependence at booking.

10           404. Individuals with opioid-use disorders require extra care and attention from jail  
11 staff. For example, the jail medical staff has had to administer Suboxone (buprenorphine and  
12 naloxone) to inmates for the treatment of opioid dependence. Individuals with opioid-use  
13 disorder also require increased in-jail medical attention. Clark County has also experienced an  
14 increase in hospital transfers from the jail to hospitals for a higher level of care.

15           405. Additionally, the demand for drugs in the jail has increased the introduction of  
16 contraband to the jail, which requires the acquisition of equipment to better screen mail and  
17 visitors coming into the jail. There has also been an increase of family and friends mailing drugs  
18 into the jail, and concealing the contraband in cards, letters, and envelopes.

19                   **c. Therapeutic Specialty Courts and Juvenile Court**

20           406. Clark County offers six Therapeutic Specialty Court programs between both  
21 Superior and District courts. Therapeutic Specialty Court programs offer treatment and other  
22 recovery support services in Clark County to help participants treat underlying substance abuse,  
23 mental health and/or co-occurring disorders while under the supervision of the court. The  
24  
25  
26

1 mission for each program is simple: help participants to get re-established in the community;  
2 improve skills and self-sufficiency; reduce cycle of addiction and crime; and help restore and  
3 reunite families.

4         407. Clark County's Therapeutic Specialty Courts include Adult Drug Court,  
5 Residential DOSA (Drug Offender Sentencing Alternative), Family Treatment Court, and  
6 Juvenile Recovery Court. These specialty courts are highly effective in promoting recovery from  
7 opioid addiction, reducing substance abuse and crime, increasing public safety, and facilitating  
8 safe and timely family reunifications. The therapeutic specialty court model involves a  
9 multidisciplinary team approach that contributes to the intensive supervision of participants with  
10 services, structure and strict accountability. Teams include a judge, prosecutor/assistant attorney  
11 general, indigent defense attorney, program coordinator, probation officer/law enforcement,  
12 social workers, treatment professionals, peer mentors and other court personnel.

13  
14  
15         408. In addition, the Clark County Juvenile Court has also been affected by the opioid  
16 crisis—particularly the Detention Intake and Custody services, court intake and processing, and  
17 community supervision (probation) departments of the Juvenile Court. For example, detention  
18 intake provides medical care for youth experiencing withdrawal symptoms while they are in  
19 custody. Although youth with opioid addiction are the minority of substance abuse youth  
20 involved with the court, youth with opioid addiction are typically high need and high risk.

21  
22         409. Youth with opioid addiction in the juvenile court system require intensive  
23 interventions, often multiple times. Furthermore, opioid use often requires inpatient treatment  
24 services and robust aftercare. This population of youth also has higher risk factors relating to  
25 victimization, and homelessness is a common issue with this population.  
26

**J. No Federal Agency Action, Including by the FDA, Can Provide the Relief Clark County Seeks Here.**

410. The injuries Clark County has suffered and will continue to suffer cannot be addressed by agency or regulatory action. There are no rules the FDA could make or actions the agency could take that would provide Clark County the relief it seeks in this litigation.

411. Even if prescription opioids were entirely banned today or only used for the intended purpose, thousands of Clark County residents, and millions of Americans, would remain addicted to opioids, and overdoses will continue to claim lives. The County will respond to related medical emergencies and administer naloxone. The Sheriff's Office will spend extraordinary resources combatting illegal opioid sales, and the Prosecuting Attorney's Office, the Public Defenders' Office, and Clark County courts will remain burdened with opioid-related crimes. Social services and public health efforts will be stretched thin.

412. Regulatory action would do nothing to compensate the County for the money and resources it has already expended addressing the impacts of the opioid epidemic and the resources it will need in the future. Only this litigation has the ability to provide the County with the relief it seeks.

413. Furthermore, the costs Clark County has incurred in responding to the homeless crises and in rendering public services described above are recoverable pursuant to the causes of actions raised by the County. Defendants' misconduct alleged herein is not a series of isolated incidents, but instead the result of a sophisticated and complex marketing scheme over the course of more than twenty years that has caused a substantial and long-term burden on the municipal services provided by the County. In addition, the public nuisance created by Defendants and the County's requested relief in seeking abatement further compels Defendants to reimburse and

1 compensate Clark County for substantial costs they have spent addressing the crisis caused by  
2 Defendants.

3 **V. CLAIMS FOR RELIEF**

4 **COUNT ONE — VIOLATIONS OF THE WASHINGTON CONSUMER PROTECTION**  
5 **ACT, RCW 19.86, *ET SEQ.***

6 414. Plaintiff repeats, reasserts, and incorporates the allegations contained above as if  
7 fully set forth herein.

8 415. The Washington Consumer Protection Act is codified at RCW 19.86 *et seq.*  
9 (CPA). The CPA establishes a comprehensive framework for redressing the violations of  
10 applicable law, and municipalities of Washington State like Clark County can enforce the CPA  
11 and recover damages. RCW 19.86.090. The conduct at issue in this case falls within the scope of  
12 the CPA.  
13

14 416. The CPA prohibits unfair methods of competition and unfair or deceptive acts or  
15 practices in the conduct of any trade or commerce. Defendants engaged and continue to engage  
16 in the same pattern of unfair methods of competition, and unfair and/or deceptive conduct  
17 pursuant to a common practice of misleading the public regarding the purported benefits and  
18 risks of opioids.  
19

20 417. Manufacturing Defendants, at all times relevant to this Complaint, directly and/or  
21 through their control of third parties, violated the CPA by making unfair and/or deceptive  
22 representations about the use of opioids to treat chronic and non-cancer pain, including to  
23 physicians and consumers in Clark County. Each Manufacturing Defendant also omitted or  
24 concealed material facts and failed to correct prior misrepresentations and omissions about the  
25 purported benefits and risks of opioids. In addition, each Manufacturing Defendant's silence  
26 regarding the full risks of opioid use constitutes deceptive conduct prohibited by the CPA.

1           418. The Distributor Defendants, at all times relevant to this Complaint, directly and/or  
2 through their control of third parties, violated the CPA by making unfair and/or deceptive  
3 representations about their compliance with their obligations to maintain effective controls  
4 against diversion of prescription opioids and to report suspicious orders. The Distributor  
5 Defendants concealed the extent of their opioid distribution in order to avoid the issuance of  
6 restrictive quotas, and manipulated the political process to shield themselves from enforcement  
7 actions that would have stopped shipments of opioids.  
8

9           419. These unfair methods of competition and unfair and/or deceptive acts or practices  
10 in the conduct of trade or commerce were reasonably calculated to deceive Clark County and its  
11 consumers, and did in fact deceive the County and its consumers. Each Manufacturing  
12 Defendant's misrepresentations, concealments, and omissions continue to this day.  
13

14           420. Clark County has paid money for health care costs associated with prescription  
15 opioids for chronic pain. The County has also paid significant sums of money treating those  
16 covered by its health insurance for other opioid-related health costs. The Defendants'  
17 misrepresentations have further caused the County to spend substantial sums of money on  
18 increased law enforcement, emergency services, social services, public safety, and other human  
19 services in Clark County, as described above.  
20

21           421. But for these unfair methods of competition and unfair and/or deceptive acts or  
22 practices in the conduct of trade or commerce, Clark County would not have incurred the  
23 massive costs related to the epidemic caused by Defendants, as fully described above.

24           422. Logic, common sense, justice, policy, and precedent indicate Manufacturing  
25 Defendants' unfair and deceptive conduct has caused the damage and harm complained of  
26 herein. Manufacturing Defendants knew or reasonably should have known that their statements



1 regarding the risks and benefits of opioids were false and misleading, and that their statements  
 2 were causing harm from their continued production and marketing of opioids. The Distributor  
 3 Defendants knew or reasonably should have known that the proliferation of prescription opioids  
 4 was causing damage to the County. Thus, the harms caused by Defendants' unfair and deceptive  
 5 conduct to Clark County were reasonably foreseeable, including the financial and economic  
 6 losses incurred by the County.  
 7

8 423. Furthermore, Clark County brings this cause of action in its sovereign capacity for  
 9 the benefit of the State of Washington. The CPA expressly authorizes local governments to  
 10 enforce its provisions and to recover damages for violations of the CPA, and this action is  
 11 brought to promote the public welfare of the state and for the common good of the state.  
 12

13 424. As a direct and proximate cause of each Defendant's unfair and deceptive  
 14 conduct, (i) Clark County has sustained and will continue to sustain injuries, and (ii) pursuant to  
 15 RCW 19.86.090, Clark County is entitled to actual and treble damages in amounts to be  
 16 determined at trial, attorneys' fees and costs, and all other relief available under the CPA.  
 17

18 425. The Court should also grant injunctive relief enjoining Defendants from future  
 19 violations of the CPA. Defendants' actions, as complained of herein, constitute unfair  
 20 competition or unfair, deceptive, or fraudulent acts or practices in violation of the CPA.  
 21

## 22 **COUNT TWO — PUBLIC NUISANCE**

23 426. Plaintiff repeats, reasserts, and incorporates the allegations contained above as if  
 24 fully set forth herein.

25 427. Pursuant to RCW 7.48.010, an actionable nuisance is defined as, *inter alia*,  
 26 "whatever is injurious to health or indecent or offensive to the senses . . ."

1           428. Pursuant to RCW 7.48.130, “A public nuisance is one which affects equally the  
2 rights of an entire community or neighborhood, although the extent of the damage may be  
3 unequal.”

4           429. Pursuant to Clark County Code 32.04.010(6), a nuisance is “any unlawful act or  
5 the failure to perform a duty, which act or omission either annoys, injures or endangers the  
6 comfort, repose, health or safety of others . . .”

7           430. Pursuant to Clark County Code 32.04.010(8), a “public nuisance” is defined as “a  
8 nuisance which affects the rights of an entire community or neighborhood, although the extent of  
9 the nuisance may be unequal.” The County can also assess civil penalties for these violations at  
10 \$100 for each violation and \$250 for each subsequent violation pursuant to Clark County Code  
11 32.04.050.  
12

13           431. Clark County and its residents have a right to be free from conduct that endangers  
14 their health and safety. Yet Defendants have engaged in conduct which endangers or injures the  
15 health and safety of the residents of the County by their production, promotion, distribution, and  
16 marketing of opioids for use by residents of Clark County and in a manner that substantially  
17 interferes with the welfare of Clark County.  
18

19           432. Each Defendant has created or assisted in the creation of a condition that is  
20 injurious to the health and safety of Clark County and its residents, and interferes with the  
21 comfortable enjoyment of life and property of entire communities and/or neighborhoods in the  
22 County.  
23

24           433. Defendants’ conduct has directly caused deaths, serious injuries, and a severe  
25 disruption of the public peace, order and safety, including fueling the homeless and heroin crises  
26

1 facing the County described herein. Defendants' conduct is ongoing and continues to produce  
2 permanent and long-lasting damage.

3 434. The health and safety of the residents of Clark County, including those who use,  
4 have used, or will use opioids, as well as those affected by users of opioids, are matters of  
5 substantial public interest and of legitimate concern to the County's citizens and its residents.  
6

7 435. Defendants' conduct has impacted and continues to impact a substantial number  
8 of people within Clark County and is likely to continue causing significant harm to patients with  
9 chronic pain who are being prescribed and take opioids, their families, and their communities.

10 436. But for Defendants' actions, opioid use and ultimately its misuse and abuse would  
11 not be as widespread as it is today, and the massive epidemic of opioid abuse that currently exists  
12 would have been averted.

13 437. Logic, common sense, justice, policy, and precedent indicate Defendants' unfair  
14 and deceptive conduct has caused the damage and harm complained of herein. Manufacturing  
15 Defendants knew or reasonably should have known that their statements regarding the risks and  
16 benefits of opioids were false and misleading, and that their false and misleading statements  
17 were causing harm from their continued production and marketing of opioids. Distributor  
18 Defendants knew that the widespread distribution of opioids would endanger the health and  
19 safety of residents of Clark County. Thus, the public nuisance caused by Defendants to Clark  
20 County was reasonably foreseeable, including the financial and economic losses incurred by the  
21 County.  
22

23 438. Furthermore, Clark County brings this cause of action in its sovereign capacity for  
24 the benefit of the State of Washington. The applicable RCW with respect to a public nuisance  
25  
26

1 expressly prohibits the conduct complained of herein, and this action is brought to promote the  
2 public welfare of the state and for the common good of the state.

3 439. In addition, engaging in any business in defiance of a law regulating or  
4 prohibiting the same is a nuisance per se under Washington law. Each Defendant's conduct  
5 described herein of deceptively marketing or excessively distributing opioids violates RCW  
6 7.48.010 and therefore constitutes a nuisance per se.

7 440. As a direct and proximate cause of Defendants' conduct creating or assisting in  
8 the creation of a public nuisance, Clark County, its community, and its residents have sustained  
9 and will continue to sustain substantial injuries.

10 441. Pursuant to RCW 7.48.020 and Clark County Code 9.24.020-30, Clark County  
11 requests an order providing for abatement of the public nuisance that each Defendant has created  
12 or assisted in the creation of, and enjoining Defendants from future violations of RCW 7.48.010  
13 and Clark County Code 32.04.010(8).

14 442. Clark County also seeks the maximum statutory and civil penalties permitted by  
15 law as a result of the public nuisance created by Defendants.

### 18 **COUNT THREE — NEGLIGENCE**

19 443. Plaintiff repeats, reasserts, and incorporates the allegations contained above as if  
20 fully set forth herein.

21 444. Under Washington law, a cause of action arises for negligence when a defendant  
22 owes a duty to a plaintiff and breaches that duty, and proximately causes the resulting injury.  
23 *Iwai v. State*, 129 Wn. 2d 84, 96, 915 P.2d 1089 (1996).

24 445. Each Defendant owed a duty of care to Clark County, including but not limited to  
25 taking reasonable steps to prevent the misuse, abuse, and over-prescription of opioids.  
26

1           446. In violation of this duty, Defendants failed to take reasonable steps to prevent the  
2 misuse, abuse, and over-prescription of opioids in Clark County by misrepresenting the risks and  
3 benefits associated with opioids and by distributing dangerous quantities of opioids.

4           447. As set forth above, Manufacturing Defendants' misrepresentations include falsely  
5 claiming that the risk of opioid addiction was low, falsely instructing doctors and patients that  
6 prescribing more opioids was appropriate when patients presented symptoms of addiction,  
7 falsely claiming that risk-mitigation strategies could safely address concerns about addiction,  
8 falsely claiming that doctors and patients could increase opioid usage indefinitely without added  
9 risk, deceptively marketing that purported abuse-deterrent technology could curb misuse and  
10 addiction, and falsely claiming that long-term opioid use could actually restore function and  
11 improve a patient's quality of life. Each of these misrepresentations made by Defendants violated  
12 the duty of care to Clark County.  
13

14           448. Distributor Defendants negligently distributed enormous quantities of potent  
15 narcotics and failed to report such distributions. Distributor Defendants violated their duty of  
16 care by moving these dangerous products into Clark County in such quantities, facilitating  
17 diversion, misuse, and abuse of opioids.  
18

19           449. As a direct and proximate cause of Defendants' unreasonable and negligent  
20 conduct, Plaintiff has suffered and will continue to suffer harm, and is entitled to damages in an  
21 amount determined at trial.  
22

#### 23                           **COUNT FOUR — GROSS NEGLIGENCE**

24           450. Plaintiff repeats, reasserts, and incorporates the allegations contained above as if  
25 fully set forth herein.  
26

1           451. As set forth above, each Defendant owed a duty of care to Clark County,  
2 including but not limited to taking reasonable steps to prevent the misuse, abuse, and over-  
3 prescription of opioids.

4           452. In violation of this duty, each Defendant failed to take reasonable steps to prevent  
5 the misuse, abuse, and over-prescription of opioids in Clark County by misrepresenting the risks  
6 and benefits associated with opioids.

7           453. In addition, each Defendant knew or should have known, and/or recklessly  
8 disregarded, that the opioids they manufactured, promoted, and distributed were being used for  
9 unintended uses.

10           454. For instance, Defendants failed to exercise slight care to Clark County by, *inter*  
11 *alia*, failing to take appropriate action to stop opioids from being used for unintended purposes.  
12 Furthermore, despite each Defendant's actual or constructive knowledge of the wide  
13 proliferation and dissemination of opioids in Clark County, Defendants took no action to prevent  
14 the abuse and diversion of their pharmaceutical drugs. In fact, Manufacturing Defendants  
15 promoted and actively targeted doctors and their patients through training their sales  
16 representatives to encourage doctors to prescribe more prescription opioids.

17           455. Manufacturing Defendants' misrepresentations further include falsely claiming  
18 that the risk of opioid addiction was low, falsely instructing doctors and patients that prescribing  
19 more opioids was appropriate when patients presented symptoms of addiction, falsely claiming  
20 that risk-mitigation strategies could safely address concerns about addiction, falsely claiming that  
21 doctors and patients could increase opioid usage indefinitely without added risk, deceptively  
22 marketing that purported abuse-deterrent technology could curb misuse and addiction, and  
23 falsely claiming that long-term opioid use could actually restore function and improve a patient's  
24  
25  
26

1 quality of life. Each of these misrepresentations made by Manufacturing Defendants violated the  
 2 duty of care to Clark County, in a manner that is substantially and appreciably greater than  
 3 ordinary negligence.

4 456. Distributor Defendants continued to funnel enormous quantities of potent opioids  
 5 into Clark County, long after they knew that these products were being misused, abused, and  
 6 diverted. By permitting the movement of massive amounts of dangerous narcotics into Clark  
 7 County, Distributor Defendants endangered the health and safety of Clark County residents, in a  
 8 manner that is substantially and appreciably greater than ordinary negligence.  
 9

10 457. As a direct and proximate cause of each Defendant's gross negligence, Clark  
 11 County has suffered and will continue to suffer harm, and is entitled to damages in an amount  
 12 determined at trial.  
 13

#### 14 **COUNT FIVE — UNJUST ENRICHMENT**

15 458. Plaintiff repeats, reasserts, and incorporates the allegations contained above as if  
 16 fully set forth herein.

17 459. Each Defendant was required to take reasonable steps to prevent the misuse,  
 18 abuse, and over-prescription of opioids.

19 460. Rather than prevent or mitigate the wide proliferation of opioids into Clark  
 20 County, each Defendant instead chose to place its monetary interests first and each Defendant  
 21 profited immensely from supplying prescription opioids to Clark County.  
 22

23 461. Each Defendant also failed to maintain effective controls against the unintended  
 24 and illegal use of their prescription opioids, again choosing instead to place its monetary interests  
 25 first.  
 26

1           462. Each Defendant therefore received a benefit from the sale and distribution of  
2 prescription opioids to and in Clark County, and these Defendants have been unjustly enriched at  
3 the expense of Clark County.

4           463. As a result, Clark County is entitled to damages on its unjust enrichment claim in  
5 an amount to be proven at trial.

6  
7 **COUNT SIX — VIOLATIONS OF THE RACKETEER INFLUENCED AND CORRUPT**  
8 **ORGANIZATIONS ACT (“RICO”), 18 U.S.C. § 1961, *ET SEQ.***

9           464. Plaintiff hereby incorporates by reference the allegations contained in the  
10 preceding paragraphs of this complaint.

11           465. This claim is brought by Clark County against each Defendant for actual  
12 damages, treble damages, and equitable relief under 18 U.S.C. § 1964 for violations of 18 U.S.C.  
13 § 1961, *et seq.*

14           466. At all relevant times, each Defendant is and has been a “person” within the  
15 meaning of 18 U.S.C. § 1961(3), because they are capable of holding, and do hold, “a legal or  
16 beneficial interest in property.”

17           467. Plaintiff is a “person,” as that term is defined in 18 U.S.C. § 1961(3), and has  
18 standing to sue as it was and is injured in its business and/or property as a result of the  
19 Defendants’ wrongful conduct described herein.

20           468. Section 1962(c) makes it “unlawful for any person employed by or associated  
21 with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce,  
22 to conduct or participate, directly or indirectly, in the conduct of such enterprise’s affairs through  
23 a pattern of racketeering activity . . . ” 18 U.S.C. § 1962(c).

24           469. Section 1962(d) makes it unlawful for “any person to conspire to violate” Section  
25 1962(c), among other provisions. *See* 18 U.S.C. § 1962(d).



1           470. Each Defendant conducted the affairs of an enterprise through a pattern of  
2 racketeering activity, in violation of 18 U.S.C. § 1962(c) and § 1962(d).

3           **A. Description of the Defendants' Enterprises**

4           471. RICO defines an enterprise as “any individual, partnership, corporation,  
5 association, or other legal entity, and any union or group of individuals associated in fact  
6 although not a legal entity.” 18 U.S.C. § 1961(4).

7           472. Under 18 U.S.C. § 1961(4) a RICO “enterprise” may be an association-in-fact  
8 that, although it has no formal legal structure, has (i) a common purpose, (ii) relationships among  
9 those associated with the enterprise, and (iii) longevity sufficient to pursue the enterprise’s  
10 purpose. *See Boyle v. United States*, 556 U.S. 938, 946 (2009).

11           473. Defendants formed two such association-in-fact enterprises—referred to herein as  
12 “the Promotion Enterprise” and “the Diversion Enterprise.”  
13

14           474. The Promotion Enterprise consists of the Manufacturing Defendants, Front  
15 Groups, and KOLs. In particular, the Enterprise consists of (a) Defendant Purdue, including its  
16 employees and agents, (b) Defendant Endo, including its employees and agents, (c) Defendant  
17 Janssen, including its employees and agents, (d) Defendant Cephalon, including its employees  
18 and agents, (e) Defendant Actavis, including its employees and agents, and (f) Defendant  
19 Mallinckrodt, including its employees and agents (collectively, “Manufacturing Defendants”);  
20 certain front groups described above, including but not limited to (a) the American Pain  
21 Foundation, including its employees and agents, (b) the American Academy of Pain Medicine,  
22 including its employees and agents, and (c) the American Pain Society, including its employees  
23 and agents (collectively, the “Front Groups”); and certain Key Opinion Leaders, including but  
24 not limited to (a) Dr. Russell Portenoy, (b) Dr. Perry Fine, (c) Dr. Lynn Webster, and (d) Dr.  
25  
26

1 Scott Fishman (collectively, the “KOLs”). The entities in the Promotion Enterprise acted in  
2 concert to create demand for prescription opioids.

3 475. Alternatively, each of the above-named Manufacturing Defendants and Front  
4 Groups constitutes a single legal entity “enterprise” within the meaning of 18 U.S.C. § 1961(4),  
5 through which the members of the enterprise conducted a pattern of racketeering activity. The  
6 separate legal status of each member of the Enterprise facilitated the fraudulent scheme and  
7 provided a hoped-for shield from liability for Defendants and their co-conspirators.  
8

9 476. Alternatively, each of the Manufacturing Defendants, together with the  
10 Distributor Defendants, the Front Groups, and the KOLs, constitute separate, associated-in-fact  
11 Enterprises within the meaning of 18 U.S.C. § 1961(4).  
12

13 477. The Diversion Enterprise consists of all Defendants. In particular, the Enterprise  
14 consists of (a) Defendant Purdue, including its employees and agents, (b) Defendant Endo,  
15 including its employees and agents, (c) Defendant Janssen, including its employees and agents,  
16 (d) Defendant Cephalon, including its employees and agents, (e) Defendant Actavis, including its  
17 employees and agents, (f) Defendant Mallinckrodt, including its employees and agents, (g)  
18 Defendant AmerisourceBergen, including its employees and agents, (h) Defendant Cardinal  
19 Health, including its employees and agents, and (i) Defendant McKesson, including its  
20 employees and agents (collectively, “Defendants”).  
21

22 478. The CSA and its implementing regulations require all manufacturers and  
23 distributors of controlled substances, including opioids, to maintain a system to identify and  
24 report suspicious orders, including orders of unusual size or frequency, or orders deviating from  
25 a normal pattern, and maintain effective controls against diversion of controlled substances. *See*  
26 21 U.S.C. § 823; 21 C.F.R. §1301.74(b). The Manufacturing Defendants and the Distributor

1 Defendants alike are required to become “registrants” under the CSA, 21 U.S.C. § 823(a)-(b),  
2 and its implementing regulations, which provide that “[e]very person who manufactures,  
3 distributes, dispenses, imports, or exports any controlled substance. . . shall obtain a  
4 registration[.]” 21 C.F.R. § 1301.11(a). Defendants’ duties as registrants include reporting  
5 suspicious orders of controlled substances, which are defined as including “orders of unusual  
6 size, orders deviating substantially from a normal pattern, and orders of unusual frequency.” 21  
7 C.F.R. § 1301.74(b).

9 479. The Manufacturing Defendants carried out the Diversion Enterprise by  
10 incentivizing and supplying suspicious sales of opioids, despite their knowledge that their  
11 opioids were being diverted to illicit use, and by failing to notify the DEA of such suspicious  
12 orders as required by law. The Distributor Defendants carried out the Diversion Enterprise by  
13 failing to maintain effective controls against diversion, intentionally evading their obligation to  
14 report suspicious orders to the DEA, and conspiring to prevent limits on the prescription opioids  
15 they were oversupplying to communities like Plaintiff.

17 480. The Promotion Enterprise is an ongoing and continuing business organization  
18 consisting of “persons” within the meaning of 18 U.S.C. § 1961(3) that created and maintained  
19 systematic links for a common purpose: to sell highly addictive opioids for treatment of chronic  
20 pain while knowing that opioids have little or no demonstrated efficacy for such pain and have  
21 significant risk of addiction, overdose, and death.

23 481. The Distribution Enterprise is an ongoing and continuing business organization  
24 consisting of “persons” within the meaning of 18 U.S.C. § 1961(3) that created and maintained  
25 systematic links for a common purpose: to distribute highly addictive opioids in quantities that  
26 far exceeded amounts that could reasonably be considered medically necessary.

1           482. To accomplish these purposes, the Promotion Enterprise engaged in a  
 2 sophisticated, well-developed, and fraudulent marketing scheme designed to increase the  
 3 prescription rate for Defendants' opioid medications (the "Promotion Scheme"), and the  
 4 Diversion Enterprise carried out a scheme to systematically disregard, avoid, or frustrate the  
 5 monitoring and reporting requirements intended to prevent the widespread distribution of  
 6 dangerous controlled substances (the "Diversion Scheme"). The Promotion Scheme and the  
 7 Diversion Scheme are collectively referred to as the "Schemes."

9 **B. The Enterprises Sought to Fraudulently Increase Defendants' Profits and Revenues**

10           483. At all relevant times, each Defendant was aware of the conduct of the Enterprises,  
 11 was a knowing and willing participant in that conduct, and reaped profits from that conduct in  
 12 the form of increased sales and distribution of prescription opioids. In addition, the Front Groups  
 13 and KOLs received direct payments from the Manufacturing Defendants in exchange for their  
 14 role in the Promotion Enterprise, and to advance the Promotion Enterprise's fraudulent  
 15 marketing scheme.

17           484. The Enterprises engaged in, and their activities affected, interstate and foreign  
 18 commerce because they involved commercial activities across state boundaries, including but not  
 19 limited to: (1) the marketing, promotion, and distribution of prescription opioids; (2) advocacy at  
 20 the state and federal level for change in the law governing the use and prescription of  
 21 prescription opioids; (3) the issuance of prescriptions and prescription guidelines for opioids; (4)  
 22 the issuance of fees, bills, and statements demanding payment for prescriptions of opioids; (5)  
 23 payments, rebates, and chargebacks between Defendants; and (6) the creation of documents,  
 24 reports, and communications related to Defendants' reporting requirements under the CSA and  
 25 its implementing regulations.  
 26

1           485. The persons engaged in the Enterprises are systematically linked through  
2 contractual relationships, financial ties, and continuing coordination of activities, as spearheaded  
3 by Defendants. With respect to the Promotion Enterprise, each Manufacturing Defendant funded  
4 and directed the operations of the KOLs and the Front Groups; in fact, the board of directors of  
5 each of the Front Groups are and were full of doctors who were on the Manufacturing  
6 Defendants' payrolls, either as consultants or speakers at medical events. Moreover, each  
7 Manufacturing Defendant coordinated and, at times, co-funded their activities in furtherance of  
8 the goals of the Enterprise. This coordination can also be inferred through the consistent  
9 misrepresentations described below. With respect to the Diversion Enterprise, Defendants were  
10 financially linked through a system of payments, rebates, and chargebacks.  
11

12           486. In the Promotion Enterprise, there is regular communication between each  
13 Manufacturing Defendant, each of the Front Groups, and each KOL in which information  
14 regarding the Defendants' scheme to increase opioid prescriptions is shared. Typically, this  
15 communication occurred, and continues to occur, through the use of the wires and the mail in  
16 which Manufacturing Defendants, the Front Groups, and the KOL share information regarding  
17 the operation of the Promotion Enterprise.  
18

19           487. In the Diversion Enterprise, there is regular communication between each  
20 Defendant in which information regarding the Defendants' scheme to oversupply opioids and  
21 avoid restrictive regulations or quotas is shared. Typically, this communication occurred, and  
22 continues to occur, through the use of the wires and the mail in which Defendants share  
23 information regarding the operation of the Diversion Enterprise.  
24  
25  
26

1           488. The Enterprises functioned as continuing units for the purposes of executing the  
 2 Schemes, and when issues arose during the Schemes, each member of the Enterprises agreed to  
 3 take actions to hide the Schemes and the existence of the Enterprises.

4           489. Each Defendant participated in the operation and management of the Enterprises  
 5 by directing its affairs as described herein.

6           490. While Defendants participate in, and are members of, the Enterprises, they have  
 7 an existence separate from the Enterprises, including distinct legal statuses, affairs, offices and  
 8 roles, officers, directors, employees, and individual personhood.

9           491. Each Manufacturing Defendant orchestrated the affairs of the Promotion  
 10 Enterprise and exerted substantial control over the Promotion Enterprise by, at least: (1) making  
 11 misleading statements about the purported benefits, efficacy, and risks of opioids to doctors,  
 12 patients, the public, and others, in the form of telephonic and electronic communications, CME  
 13 programs, medical journals, advertisements, and websites; (2) employing sales representatives to  
 14 promote the use of opioid medications; (3) purchasing and utilizing sophisticated marketing data  
 15 (e.g., IMS data) to coordinate and refine the Promotion Scheme; (4) employing doctors to serve  
 16 as speakers at or attend all-expense paid trips to programs emphasizing the benefits of  
 17 prescribing opioid medications; (5) funding, controlling, and operating the Front Groups,  
 18 including the American Pain Foundation and the Pain & Policy Studies Group; (6) participating  
 19 in the Pain Care Forum, a coalition of drugmakers, trade groups, and nonprofit organizations  
 20 that, collectively, spent hundreds of millions of dollars lobbying against opioid-related measures;  
 21 (7) sponsoring CME programs that claimed that opioid therapy has been shown to reduce pain  
 22 and depressive symptoms; (8) supporting and sponsoring guidelines indicating that opioid  
 23 medications are effective and can restore patients' quality of life; (9) retaining KOLs to promote  
 24  
 25  
 26

1 the use of opioids; and (10) concealing the true nature of their relationships with the other  
2 members of the Promotion Scheme, and the Promotion Enterprise, including the Front Groups  
3 and the KOLs.

4 492. The Front Groups orchestrated the affairs of the Promotion Enterprise and exerted  
5 substantial control over the Promotion Enterprise by, at least: (1) making misleading statements  
6 about the purported benefits, efficacy, and low risks of opioids described herein; (2) holding  
7 themselves out as independent advocacy groups, when in fact their operating budgets are entirely  
8 comprised of contributions from opioid drug manufacturers; (3) lobbying against federal and  
9 state proposals to limit opioid use; (4) publishing treatment guidelines that advised the  
10 prescription of opioids; (5) engaging in “unbranded” advertisement for opioid medicines; (6)  
11 sponsoring medical education programs that touted the benefits of opioids to treat chronic pain  
12 while minimizing and trivializing their risks; and (7) concealing the true nature of their  
13 relationship with the other members of the Promotion Enterprise.  
14

15 493. The KOLs orchestrated the affairs of the Promotion Enterprise and exerted  
16 substantial control over the Promotion Enterprise by, at least: (1) making misleading statements  
17 about the purported benefits, efficacy, and low risks of opioids; (2) holding themselves out as  
18 independent, when in fact they are systematically linked to and funded by opioid drug  
19 manufacturers; and (3) concealing the true nature of their relationship with the other members of  
20 the Promotion Enterprise.  
21

22 494. Without the willing participation of each member of the Promotion Enterprise, the  
23 Promotion Scheme and the Promotion Enterprise’s common course of conduct would not have  
24 been successful.  
25  
26

1           495. Each Distributor Defendant orchestrated the affairs of the Diversion Enterprise  
2 and exerted substantial control over the Diversion Enterprise by, at least: (1) refusing or failing  
3 to identify, investigate, or report suspicious orders of opioids to the DEA; (2) providing the  
4 Manufacturing Defendants with data regarding their prescription opioid sales, including purchase  
5 orders and ship notices; (3) accepting payments from the Manufacturing Defendants in the form  
6 of rebates and/or chargebacks; (4) filling suspicious orders for prescription opioids despite  
7 having identified them as suspicious and knowing opioids were being diverted into the illicit  
8 drug market; (5) working with other members of the Enterprise through groups like the  
9 Healthcare Distribution Alliance and the Pain Care Forum to advocate for laws and policies that  
10 would ensure the free flow of opioids, including lobbying to limit the DEA's ability to use  
11 immediate suspension orders; and (6) concealing the true nature of their relationships with the  
12 other members of the Diversion Enterprise.  
13  
14

15           496. Each Manufacturing Defendant orchestrated the affairs of the Diversion  
16 Enterprise and exerted substantial control over the Diversion Enterprise by, at least: (1) refusing  
17 or failing to identify, investigate, or report suspicious orders of opioids to the DEA; (2) obtaining  
18 from the Distributor Defendants data regarding their prescription opioid sales, including  
19 purchase orders and ship notices; (3) providing payments to the Distributor Defendants in the  
20 form of rebates and/or chargebacks; (4) working with other members of the Diversion Enterprise  
21 through groups like the Healthcare Distribution Alliance and the Pain Care Forum to advocate  
22 for laws and policies that would ensure the free flow of opioids, including lobbying to limit the  
23 DEA's ability to use immediate suspension orders; and (5) concealing the true nature of their  
24 relationships with the other members of the Diversion Enterprise.  
25  
26



1           497. Without the willing participation of each member of the Diversion Enterprise, the  
 2 Diversion Scheme and the Diversion Enterprise's common course of conduct would not have  
 3 been successful.

4           **C. Predicate Acts: Mail and Wire Fraud**

5           498. To carry out, or attempt to carry out, the Schemes, the members of the  
 6 Enterprises, each of whom is a person associated-in-fact with the Enterprises, did knowingly  
 7 conduct or participate in, directly or indirectly, the affairs of the Enterprises through a pattern of  
 8 racketeering activity within the meaning of 18 U.S.C. §§ 1961(1), 1961(5) and 1962(c), and  
 9 employed the use of the mail and wire facilities, in violation of 18 U.S.C. § 1341 (mail fraud)  
 10 and § 1343 (wire fraud).

11           499. Specifically, the members of the Enterprises have committed, conspired to  
 12 commit, and/or aided and abetted in the commission of, at least two predicate acts of  
 13 racketeering activity (i.e., violations of 18 U.S.C. §§ 1341 and 1343), within the past ten years.

14           500. The multiple acts of racketeering activity which the members of the Enterprises  
 15 committed, or aided or abetted in the commission of, were related to each other, posed a threat of  
 16 continued racketeering activity, and therefore constitute a "pattern of racketeering activity."

17           501. The racketeering activity was made possible by the Enterprises' regular use of the  
 18 facilities, services, distribution channels, and employees of the Enterprises.

19           502. The members of the Enterprises participated in the Schemes by using mail,  
 20 telephone, and the internet to transmit mailings and wires in interstate or foreign commerce.

21           503. The members of the Enterprises used, directed the use of, and/or caused to be  
 22 used, thousands of interstate mail and wire communications in service of their Schemes through  
 23 common misrepresentations, concealments, and material omissions.  
 24  
 25  
 26

1           504. In devising and executing the illegal Schemes, the members of the Enterprises  
 2 devised and knowingly carried out a material scheme and/or artifice to defraud Plaintiff and the  
 3 public to obtain money by means of materially false or fraudulent pretenses, representations,  
 4 promises, or omissions of material facts.

5           505. For the purpose of executing the illegal Schemes, the members of the Enterprises  
 6 committed these racketeering acts, which number in the thousands, intentionally and knowingly  
 7 with the specific intent to advance the illegal Schemes.

8           506. The Enterprises' predicate acts of racketeering (18 U.S.C. § 1961(1)) include, but  
 9 are not limited to:  
 10

11           A. Mail Fraud: The members of the Enterprise violated 18 U.S.C. § 1341 by  
 12 sending or receiving, or by causing to be sent and/or received, fraudulent materials  
 13 via U.S. mail or commercial interstate carriers for the purpose of selling and  
 14 distributing excessive quantities of highly addictive opioids.

15           B. Wire Fraud: The members of the Enterprises violated 18 U.S.C. § 1343 by  
 16 transmitting and/or receiving, or by causing to be transmitted and/or received,  
 17 fraudulent materials by wire for the purpose of selling and distributing excessive  
 18 quantities of highly addictive opioids.

19           507. The Manufacturing Defendants falsely and misleadingly used the mails and wires  
 20 in violation of 18 U.S.C. § 1341 and § 1343. Illustrative and non-exhaustive examples include  
 21 the following: Defendant Purdue's (1) May 31, 1996 press release announcing the release of  
 22 OxyContin and indicating that the fear of OxyContin's addictive properties was exaggerated; (2)  
 23 1990 promotional video in which Dr. Portenoy, a paid Purdue KOL, understated the risk of  
 24 opioid addiction; (3) 1998 promotional video which misleadingly cited a 1980 NEJM letter in  
 25 support of the use of opioids to treat chronic pain; (4) statements made on its 2000 "Partners  
 26 Against Pain" website which claimed that the addiction risk of OxyContin was very low; (5)  
 literature distributed to physicians which misleadingly cited a 1980 NEJM letter in support of the

1 use of opioids to treat chronic pain; (6) August 2001 statements to Congress by Purdue  
2 Executive Vice President and Chief Operating Officer Michael Friedman regarding the value of  
3 OxyContin in treating chronic pain; (7) patient brochure entitled “A Guide to Your New Pain  
4 Medicine and How to Become a Partner Against Pain” indicating that OxyContin is non-  
5 addicting; (8) 2001 statement by Senior Medical Director for Purdue, Dr. David Haddox,  
6 indicating that the ‘legitimate’ use of OxyContin would not result in addiction; (9) multiple sales  
7 representatives’ communications regarding the low risk of addiction associated with opioids;  
8 (10) statements included in promotional materials for opioids distributed to doctors via the mail  
9 and wires; (11) statements in a 2003 Patient Information Guide distributed by Purdue indicating  
10 that addiction to opioid analgesics in properly managed patients with pain has been reported to  
11 be rare; (12) telephonic and electronic communications to doctors and patients indicating that  
12 signs of addiction in the case of opioid use are likely only the signs of under-treated pain; (13)  
13 statements in Purdue’s Risk Evaluation and Mitigation Strategy for OxyContin indicating that  
14 drug-seeking behavior on the part of opioid patients may, in fact, be pain-relief seeking behavior;  
15 (14) statements made on Purdue’s website and in a 2010 “Dear Healthcare Professional” letter  
16 indicating that opioid dependence can be addressed by dosing methods such as tapering; (15)  
17 statements included in a 1996 sales strategy memo indicating that there is no ceiling dose for  
18 opioids for chronic pain; (16) statements on its website that abuse-resistant products can prevent  
19 opioid addiction; (17) statements made in a 2012 series of advertisements for OxyContin  
20 indicating that long-term opioid use improves patients’ function and quality of life; (18)  
21 statements made in advertising and a 2007 book indicating that pain relief from opioids improve  
22 patients’ function and quality of life; (19) telephonic and electronic communications by its sales  
23 representatives indicating that opioids will improve patients’ function; and (20) electronic and  
24  
25  
26

1 telephonic communications concealing its relationship with the other members of the  
2 Enterprises.

3         508. Defendant Endo Pharmaceuticals, Inc. also made false or misleading claims in  
4 violation of 18 U.S.C. § 1341 and § 1343 including but not limited to: (1) statements made,  
5 beginning in at least 2009, on an Endo-sponsored website, PainKnowledge.com, indicating that  
6 patients who take opioids as prescribed usually do not become addicted; (2) statements made on  
7 another Endo-sponsored website, PainAction.com, indicating that most chronic pain patients do  
8 not become addicted to opioid medications; (3) statements in pamphlets and publications  
9 described by Endo indicating that most people who take opioids for pain relief do not develop an  
10 addiction; (4) statements made on the Endo-run website, Opana.com, indicating that opioid use  
11 does not result in addiction; (5) statements made on the Endo-run website, Opana.com,  
12 indicating that opioid dependence can be addressed by dosing methods such as tapering; (6)  
13 statements made on its website, PainKnowledge.com, that opioid dosages could be increased  
14 indefinitely; (7) statements made in a publication entitled “Understanding Your Pain: Taking  
15 Oral Opioid Analgesics” suggesting that opioid doses can be increased indefinitely; (8)  
16 electronic and telephonic communications to its sales representatives indicating that the formula  
17 for its medicines is ‘crush resistant;’ (9) statements made in advertisements and a 2007 book  
18 indicating that pain relief from opioids improves patients’ function and quality of life; (10)  
19 telephonic and electronic communications by its sales representatives indicating that opioids will  
20 improve patients’ function; and (11) telephonic and electronic communications concealing its  
21 relationship with the other members of the Enterprises.  
22  
23  
24

25         509. Defendant Janssen made false or misleading claims in violation of 18 U.S.C. §  
26 1341 and § 1343 including but not limited to: (1) statements on its website,

1 PrescribeResponsibly.com, indicating that concerns about opioid addiction are overestimated; (2)  
2 statements in a 2009 patient education guide claiming that opioids are rarely addictive when used  
3 properly; (3) statements included on a 2009 Janssen-sponsored website promoting the concept of  
4 opioid pseudoaddiction; (4) statements on its website, PrescribeResponsibly.com, advocating the  
5 concept of opioid pseudoaddiction; (5) statements on its website, PrescribeResponsibly.com,  
6 indicating that opioid addiction can be managed; (6) statements in its 2009 patient education  
7 guide indicating the risks associated with limiting the dosages of pain medicines; (7) telephonic  
8 and electronic communications by its sales representatives indicating that opioids will improve  
9 patients' function; and (8) telephonic and electronic communications concealing its relationship  
10 with the other members of the Enterprises.  
11

12 510. The American Academic of Pain Medicine made false or misleading claims in  
13 violation of 18 U.S.C. § 1341 and § 1343 including but not limited to: (1) statements made in a  
14 2009 patient education video entitled "Finding Relief: Pain Management for Older Adults"  
15 indicating the opioids are rarely addictive; and (2) telephonic and electronic communications  
16 concealing its relationship with the other members of the Promotion Enterprise.  
17

18 511. The American Pain Society Quality of Care Committee made a number of false or  
19 misleading claims in violation of 18 U.S.C. § 1341 and § 1343 including but not limited to: (1) a  
20 May 31, 1996 press release in which the organization claimed there is very little risk of addiction  
21 from the proper use of drugs for pain relief; and (2) telephonic and electronic communications  
22 concealing its relationship with the other members of the Promotion Enterprise.  
23

24 512. The American Pain Foundation ("APF") made a number of false and misleading  
25 claims in violation of 18 U.S.C. § 1341 and § 1343 including but not limited to: (1) statements  
26 made by an APF Executive Director to Congress indicating that opioids only rarely lead to

addiction; (2) statements made in a 2002 amicus curiae brief filed with an Ohio appeals court claiming that the risk of abuse does not justify restricting opioid prescriptions for the treatment of chronic pain; (3) statements made in a 2007 publication entitled “Treatment Options: A Guide for People Living with Pain” indicating that the risks of addiction associated with opioid prescriptions have been overstated; (4) statements made in a 2002 court filing indicating that opioid users are not “actual addicts”; (5) statements made in a 2007 publication entitled “Treatment Options: A Guide for People Living with Pain” indicating that even physical dependence on opioids does not constitute addiction; (6) claims on its website that there is no ceiling dose for opioids for chronic pain; (7) statements included in a 2011 guide indicating that opioids can improve daily function; and (8) telephonic and electronic communications concealing its relationship with the other members of the Promotion Enterprise.

513. The KOLs, including Drs. Russell Portenoy, Perry Fine, Scott Fishman, and Lynn Webster, made a number of misleading statements in the mail and wires in violation of 18 U.S.C. § 1341 and § 1343, described above, including statements made by Dr. Portenoy in a promotional video indicating that the likelihood of addiction to opioid medications is extremely low. Indeed, Dr. Portenoy has since admitted that his statements about the safety and efficacy of opioids were false.

514. The Manufacturing Defendants and Distributor Defendants falsely and misleadingly used the mails and wires in violation of 18 U.S.C. § 1341 and § 1343. Illustrative and non-exhaustive examples include the following: (1) the transmission of documents and communications regarding the sale, shipment, and delivery of excessive quantities of prescription opioids, including invoices and shipping records; (2) the transmission of documents and communications regarding their requests for higher aggregate production quotas, individual

1 manufacturing quotas, and procurement quotas; (3) the transmission of reports to the DEA that  
2 did not disclose suspicious orders as required by law; (4) the transmission of documents and  
3 communications regarding payments, rebates, and chargebacks; (5) the transmission of the actual  
4 payments, rebates, and chargebacks themselves; (6) correspondence between Defendants and  
5 their representatives in front groups and trade organizations regarding lobbying efforts to curtail  
6 restrictions on opioids and hobble DEA enforcement actions; (7) the submission of false and  
7 misleading certifications required annually under various agreements between Defendants and  
8 federal regulators; and (8) the shipment of vast quantities of highly addictive opioids. Defendants  
9 also communicated by U.S. mail, by interstate facsimile, and by interstate electronic mail and  
10 with various other affiliates, regional offices, regulators, distributors, and other third-party  
11 entities in furtherance of the scheme.  
12

13  
14 515. In addition, the Distributor Defendants misrepresented their compliance with laws  
15 requiring them to identify, investigate, and report suspicious orders of prescription opioids and/or  
16 diversion into the illicit market. At the same time, the Distributor Defendants misrepresented the  
17 effectiveness of their monitoring programs, their ability to detect suspicious orders, their  
18 commitment to preventing diversion of prescription opioids, and their compliance with  
19 regulations regarding the identification and reporting of suspicious orders of prescription opioids.  
20

21 516. The mail and wire transmissions described herein were made in furtherance of  
22 Defendants' Schemes and common course of conduct designed to sell drugs that have little or no  
23 demonstrated efficacy for the pain they are purported to treat in the majority of persons  
24 prescribed them; increase the prescription rate for opioid medications; and popularize the  
25 misunderstanding that the risk of addiction to prescription opioids is low when used to treat  
26 chronic pain, and to deceive regulators and the public regarding Defendants' compliance with

1 their obligations to identify and report suspicious orders of prescription opioids, while  
2 Defendants intentionally enabled millions of prescription opioids to be deposited into  
3 communities across the United States, including in Clark County. Defendants' scheme and  
4 common course of conduct was intended to increase or maintain high quotas for the manufacture  
5 and distribution of prescription opioids and their corresponding high profits for all Defendants.  
6

7 517. Many of the precise dates of the fraudulent uses of the U.S. mail and interstate  
8 wire facilities have been deliberately hidden, and cannot be alleged without access to  
9 Defendants' books and records. However, Plaintiff has described the types of predicate acts of  
10 mail and/or wire fraud, including certain specific fraudulent statements and specific dates upon  
11 which, through the mail and wires, Defendants engaged in fraudulent activity in furtherance of  
12 the Schemes.  
13

14 518. The members of the Enterprises have not undertaken the practices described  
15 herein in isolation, but as part of a common scheme and conspiracy. In violation of 18 U.S.C. §  
16 1962(d), the members of the Enterprises conspired to violate 18 U.S.C. § 1962(c), as described  
17 herein. Various other persons, firms, and corporations, including third-party entities and  
18 individuals not named as defendants in this Complaint, have participated as co-conspirators with  
19 Defendants and the members of the Enterprises in these offenses and have performed acts in  
20 furtherance of the conspiracy to increase or maintain revenue, increase market share, and/or  
21 minimize losses for the Defendants and their named and unnamed co-conspirators throughout the  
22 illegal scheme and common course of conduct.  
23

24 519. The members of the Enterprises aided and abetted others in the violations of the  
25 above laws.  
26



1           520. To achieve their common goals, the members of the Enterprises hid from Plaintiff  
2 and the public: (1) the fraudulent nature of the Manufacturing Defendants' marketing scheme;  
3 (2) the fraudulent nature of statements made by Defendants and on behalf of Defendants  
4 regarding the efficacy of and risk of addiction associated with prescription opioids; (3) the  
5 fraudulent nature of the Distributor Defendants' representations regarding their compliance with  
6 requirements to maintain effective controls against diversion and report suspicious orders of  
7 opioids; and (4) the true nature of the relationship between the members of the Enterprises.  
8

9           521. Defendants and each member of the Enterprises, with knowledge and intent,  
10 agreed to the overall objectives of the Schemes and participated in the common course of  
11 conduct. Indeed, for the conspiracy to succeed, each of the members of the Enterprises and their  
12 co-conspirators had to agree to conceal their fraudulent scheme.  
13

14           522. The members of the Enterprises knew, and intended that, Plaintiff and the public  
15 would rely on the material misrepresentations and omissions made by them and suffer damages  
16 as a result.

17           523. As described herein, the members of the Enterprises engaged in a pattern of  
18 related and continuous predicate acts for years. The predicate acts constituted a variety of  
19 unlawful activities, each conducted with the common purpose of obtaining significant monies  
20 and revenues from Plaintiff and the public based on their misrepresentations and omissions.  
21

22           524. The predicate acts also had the same or similar results, participants, victims, and  
23 methods of commission.

24           525. The predicate acts were related and not isolated events.

25           526. The true purposes of Defendants' Schemes were necessarily revealed to each  
26 member of the Enterprises. Nevertheless, the members of the Enterprises continued to

1 disseminate misrepresentations regarding the nature of prescription opioids and the functioning  
2 of the Schemes.

3 527. Defendants' fraudulent concealment was material to Plaintiff and the public. Had  
4 the members of the Enterprises disclosed the true nature of prescription opioids and their  
5 excessive distribution, Clark County would not have acted as it did or incurred the substantial  
6 costs in responding to the crisis caused by Defendants' conduct.

7 528. The pattern of racketeering activity described above is currently ongoing and  
8 open-ended, and threatens to continue indefinitely unless this Court enjoins the racketeering  
9 activity.  
10

#### 11 **D. Clark County Has Been Damaged by Defendants' RICO Violations**

12 529. By reason of, and as a result of the conduct of the Enterprises and, in particular,  
13 their patterns of racketeering activity, Clark County has been injured in its business and/or  
14 property in multiple ways, including but not limited to increased health care costs, increased  
15 human services costs, costs related to dealing with opioid-related crimes and emergencies, and  
16 other public safety costs, as fully described above.

17 530. Defendants' violations of 18 U.S.C. § 1962(c) and (d) have directly and  
18 proximately caused injuries and damages to Clark County, its community, and the public, and  
19 the County is entitled to bring this action for three times its actual damages, as well as  
20 injunctive/equitable relief, costs, and reasonable attorney's fees pursuant to 18 U.S.C. § 1964(c).  
21  
22

### 23 **PRAYER FOR RELIEF**

24 WHEREFORE, Plaintiff Clark County respectfully requests the Court order the  
25 following relief:

26 A. An Order that the conduct alleged herein violates the Washington CPA;

1 B. An Order that Plaintiff is entitled to treble damages pursuant to the Washington  
2 CPA;

3 C. An Order that the conduct alleged herein constitutes a public nuisance, including  
4 under RCW 7.48 *et seq.*, Clark County Code, Chapter 32.04, and under Washington law;

5 D. An Order that Defendants abate the public nuisance that they caused;

6 E. An Order that Defendants are liable for civil and statutory penalties to the fullest  
7 extent permissible under Washington law for the public nuisance they caused;

8 F. An Order that Defendants are negligent under Washington law;

9 G. An Order that Defendants are grossly negligent under Washington law;

10 H. An Order that Defendants have been unjustly enriched at Plaintiff's expense  
11 under Washington law;

12 I. An Order that Defendants' conduct constitutes violations of the Racketeer  
13 Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. §1961, *et seq.*;

14 J. An Order that Plaintiff is entitled to recover all measure of damages permissible  
15 under the statutes identified herein and under common law;

16 K. An Order that Defendants are enjoined from the practices described herein;

17 L. An Order that judgment be entered against Defendants in favor of Plaintiff;

18 M. An Order that Plaintiff is entitled to attorneys' fees and costs pursuant to any  
19 applicable provision of law, including but not limited to under the Washington CPA; and

20 N. An Order awarding any other and further relief deemed just and proper, including  
21 pre-judgment and post-judgment interest on the above amounts.

22  
23  
24  
25 **JURY TRIAL DEMAND**

26 Plaintiff demands a trial by jury on all claims and of all issues so triable.

DATED this 27th day of March, 2018.

**CLARK COUNTY**

**KELLER ROHRBACK L.L.P.**

By /s/ Emily A. Sheldrick

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